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ABSTRACT

This document contains the papers and questions submitted at the Australian National Training Authority's 1997 training update seminar, which focused on vocational education and training in schools and in technical and further education (TAFE) institutions across Australia. The following papers are included: "Welcome and Comments" (Stuart Hornery); "A Changing Vocational Education and Training Landscape--Training Market, User Choice, Flexible Delivery, Future Directions for TAFE" (David Kemp); "New Apprenticeships" (Stella Axarlis); "National Training Framework, Training Packages and Australian Recognition Framework" (Mark Paterson); "Panel Questions and Answers," in which the questions submitted to a seminar panel consisting of Bill Mansfield, Stella Axarlis, Mark Paterson, and Terry Moran are presented along with panel members' answers; "The National Strategy for Vocational Education and Training--1998 and Beyond" (Terry Moran); "Vocational Education and Training in Schools" (Chris Eccles); "Group Training" (Chris Eccles); "Entry Level Support Services, Approving Authorities and Marketing of New Apprenticeships" (Tony Greer); and "Seminar Close" (Stuart Hornery). The transparency masters presented by each speaker are included throughout the texts of the papers. (MN)

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# ANTA TRAINING UPDATE SEMINAR

## JULY 10 1997

## Seminar Proceedings

**AUSTRALIAN
NATIONAL TRAINING
AUTHORITY**

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# ANTA TRAINING UPDATE SEMINAR

## JULY 10 1997

## Seminar Proceedings

AUSTRALIAN
NATIONAL TRAINING
AUTHORITY

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# WELCOME AND OPENING COMMENTS

**Stuart Hornery AO**
**ANTA Board Chair**

On behalf of the ANTA Board I would like to bid you a very warm welcome to the Australian National Training Authority's first Training Update Seminar for 1997. I'd also like to extend a special welcome to our interstate guests and to the Commonwealth Minister for Schools, Vocational Education and Training, Dr David Kemp.

I must say it is very satisfying to see so many of you including this update in your vocational calendar. In fact, we had to turn quite a large number of people away this year which means we'll have to find a larger venue next year. Over the last six months, the changes to vocational education and training, initiated by Ministers last year, have gained quite significant momentum. These changes include New Apprenticeships, Vocational Education and Training in Schools, User Choice, Training Packages and, of course, the Australian Recognition Framework.

Taken together, these policies mean that we are now well on the way to realising a national system of vocational education and training that provides greater choice in structured training for both businesses and individuals alike. Let's consider for a moment what this means in practice.

By the end of the year, there will be a menu of close to 12 endorsed industry and enterprise Training Packages - all based on industry competency standards and linked to national qualifications. Organisations and providers will be able to use them in tailoring training programs to meet specific workplace needs.

Providers will be able to register a whole range of training products and services - whether they seek registration for the full range of services is going to depend on their own business decisions. How they want to position themselves within the national and, in many cases, international training market, the choice is going to be theirs.

The regulation we need to support skill development is being streamlined. This will ensure that an individual's skills will be valued by all employers. It was obvious that we couldn't go on talking about a responsive system without doing something about the regulatory and administrative hurdles that have prevented far too many business from buying into nationally recognised training.

You are going to hear about the detail of these and many other changes during the proceedings today. The actual extent of change is quite significant. It's even more so when considered in the context of what is a very complex vocational education and training environment.

There is, and there always will be, a degree of tension in the objectives that we all embrace. The need to promote choice and flexibility in training, juxtaposed with the need to ensure national recognition of qualifications and labour market mobility. The need to promote a competitive and responsive training market, but at the same time maintain quality public provision and equitable outcomes for all clients. The need for streamlined regulation, balanced against the imperative of enterprise confidence in employee skills.

To deliver results of this nature has required considerable efforts and commitment from governments and stakeholders alike. There will continue to be a very fine balancing act, but it has to be one that we all master. The complexities are definitely a given. However, I think that the changes our speakers will be talking about today can also be described rather simply in terms of the opportunities they present.

Many businesses will, for the first time, be able to take on young people and offer them structured training as part of employment arrangements that have been agreed by Ministers. Businesses will get the skilled employees they need to support growth and profitability. Our young people will have the opportunity to get on board, in a very meaningful way, with a much wider range of industries than they have been able to do to date. We'll be seeing much stronger links between schools and local businesses. More attention will be paid to equipping the 70 percent or so of school leavers who don't go on to university. We need to provide them with skills that will ensure that they make an effective transition from school to work.

Providers will have a greater number of tools at their disposal to use in designing customised training programs and services. The National Training Information Service will keep them up to date with what's available in publicly funded training materials and products. Employers will have a much greater say in exactly what skills are needed and how and when off-the-job training occurs. They will be able to take account of what's happening in the workplace when making this decision. Enterprises will be able to access practical assistance in actually getting someone signed up, on the job and in training. It's a better way of doing business and I'm sure that those of you already involved in the training system will welcome the very practical benefits these many changes will bring.

There is still, however, a significant section of our business community, and, indeed, our community in general, that doesn't fully appreciate the value of nationally recognised training or its relevance within the changing world of work. In my other capacity of Chairman of Lend Lease, I spend 100 percent of my time these days doing one of two things. First, ensuring that we can compete here in Australia with the increasing numbers of global players that we find in our Australian domestic marketplace. Second, expanding our presence globally, which means that I'm on an aeroplane a lot flying to the four corners of the world. Either way, I have a daily reminder of the need for Australia to be competitive. And if you think that that's just big business talking, Stella Axarlis and Jenny Rixon, who represent small business on the ANTA Board, will have their own version of that exact same story.

It appears that Australia still sleeps what I call the tranquil sleep of the untroubled soul. The reality is that these nations, once behind us in the international marketplace, I now find are either approaching us at our level or they've already moved past us. So, we know that we have to be globally competitive and we also know that if we are successful in this marketplace, that translates into national prosperity and, of course, that means jobs.

You only have to look at Singapore as an example of that. The skills base of Australia is critical to our national competitiveness and how prosperous we are in the future. So it's with some sadness that I return from these many overseas trips back to Australia to find much too great a pre-occupation in vocational education and training with what I call obscure fights over turf and educational philosophy and far too little obsession with what the sector must do for our nation's future. This is a tragedy on a scale that most people just don't appreciate.

We business people face, every day, revolutionary change to the nature of our businesses - the nature of work, the structure of our industries and finally the expectation of Australians. Developments in information technology and communications are perhaps the most obvious signs of this, but there are others. World business is easy to transact these days. We almost live in a borderless economy. Without an acceptance of this and a willingness to pick up the pace of change in vocational education and training, we will be left to scavenge the crumbs from the tables on which far more affluent nations dine. You won't be happy to learn that our Competitiveness Index, as defined by the World Economic Forum continues to decline - we're now down to number 17.

The nature of learning is changing. The role of providers is being transformed. The expectations of learners is different as is the knowledge and skills they seek. All of this seems quite far removed from many of the pre-occupations of large numbers of the professionals and administrators in TAFE and other providers. But it's also well removed for many of the businesses throughout the country who have not yet come to grips with the fact that they are indeed now in a global village.

Many of the changes that you are going to hear about today, are I think, a substantial step in the right direction, and they will bring about improvement - but you must consider them only as Phase One. Phase Two, which assumes that Phase One is fully and effectively implemented, is likely to have the following hallmarks.

First, learning will be increasingly facilitated by what I might call 'the new technologies'. It will be serviced by a domestic and an international marketplace. I can tell you that after schooling, traditional classrooms will be less and less attractive as the location for the new education.

Second, there must be a decisive and rapid migration of power in vocational education and training for TAFE Institutes and other providers. They will need greater program authority in order to respond quickly and flexibly to rapid changes in the needs and expectations of students. Keeping up with students will be a problem.

Third, as an extension of the first, the rapid emergence of domestic and international alliances between providers from the same and different sectors will occur and also between these providers and companies operating nationally and internationally. And, lest you be thinking that only large companies are affected by this, expect more large companies to set up arrangements for training people in the small companies that supply them.

I had the privilege of presenting awards to 16 apprentices and trainees at Email on Monday (July 7th). Email is one of the larger organisations in the country and one committed to training. They have trained about 300 apprentices of their own, but during the last year about 4000, mostly young people, from supplier and other organisations have been through their training programs. They are typical of your emerging new providers. They have four skill centres around the country. The programs they deliver are, in many instances, computer based. They're self-paced. They deliver fully accredited programs according to our Recognition Framework and the only limitation they have is that, for example, apprenticeships can be delivered in three years according to this out-dated concept of the declaration of vocation. They could do it in two years, if they were permitted to do so. In Email, here is a microcosm, I think of what you might call the new generation of education on the job.

Finally, a National Training Framework, which is a true framework and not a set of highly prescriptive requirements for providers to meet. The framework must be a resource to industry and providers which is valued by them, not a straightjacket.

The key problem in all this is how to reconcile the benefits of competition with the difficult task of sustaining TAFE institutions as creative institutions central to our national life. TAFE might be strengthened by extending to clients an entitlement-based approach to funding participation in programs. User Choice is an example of this approach in action. With freedom to respond to clients' needs and an incentive to do so, TAFE could enter a new era of vitality and responsiveness. Such an initiative would also surely be in the interests of clients themselves.

ANTA has consistently argued that minimum external interference in the relationship between individual providers and their clients - whether they be students, firms, community groups or Group Training Companies - is the goal. Regulatory and other reforms, now agreed by government, will remove many barriers to growth in this relationship. Broader use of entitlements as part of the next phase of change may well remove some of the remaining ones.

Without a real obsession with what we must do in vocational education and training to help Australia meet the future, we will fail Australians, will diminish our national prospects and we will certainly not solve the unemployment problem of so much concern in our community.

The obsession must extend to giving Australians the basic skills that they need for their future, not just literacy and numeracy but an easy familiarity with computers, for example, and their uses. The Prime Minister reported on the return from his recent trip to the States, that the Chairman of the US Federal Reserve, Dr Greenspan, attributes American economic performance in recent times to the very dramatic increase in the application of computers and related technology to learning and to business.

Before I hand over to Dr Kemp, who has himself been confronted by many issues in the 15 months that he has had responsibility for vocational education and training, I'd just like to say again how pleased I am that so many of you were able to get away from your busy schedules to join us today. We hope that you find it a worthy day and a worthy way to spend your time. Response to the seminar has been quite phenomenal, which must be pleasing to our next guest as it has been to the ANTA Board.

# A CHANGING VOCATIONAL EDUCATION AND TRAINING LANDSCAPE - TRAINING MARKET, USER CHOICE, FLEXIBLE DELIVERY, FUTURE DIRECTIONS FOR TAFE

**Stuart Hornery AO**
**ANTA Board Chair**

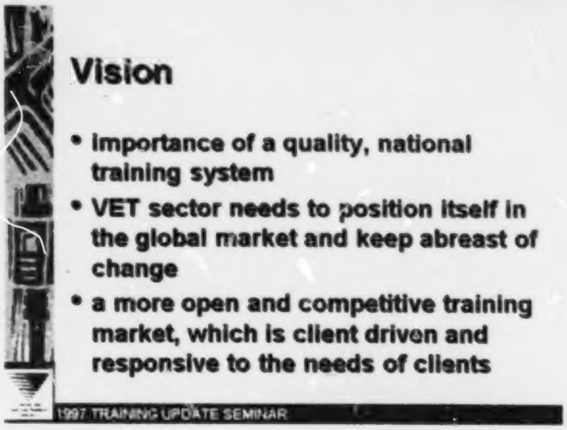
I'd now like to introduce our next speaker, Dr David Kemp, who was appointed the Commonwealth Minister for Schools, Vocational Education and Training in March 1996. Before coming to government, David was Opposition Spokesman for the area and, as we have seen over the last year, took over the position with a very clear picture of what was needed to be done, and how it might best be accomplished. Could I please ask that you welcome Dr Kemp to speak to us on the Changing Vocational Education and Training Landscape.

**Dr David Kemp MP**
**Minister for Schools, Vocational Education and Training**

Thank you very much, members of the Australian National Training Authority Board, leaders of education, vocational education and training who are here this morning, and all of you involved and concerned and interested in the future developments of vocational education and training. It is very good to be here with you. I'm delighted to have this opportunity to talk with you about some of the exciting changes which are taking place in the broad landscape of vocational education and training in Australia at the present time, and I think all of us involved in these changes have to share the sense of urgency that Stuart Hornery presented eloquently for us in his remarks.

This is not an option facing Australia. This is an imperative that we move to vocational education and training arrangements which will help Australian businesses to be competitive, to survive, to be productive, and to provide the jobs that we want if we're going to see this country continue to prosper and indeed be secure in the years ahead.

As you know, the vocational education and training system is undergoing major change with the specific objective of improving its capacity to meet the needs of its clients - employers, trainees, students. The reform process took a major step forward with the decisions by the Australian National Training Authority Ministerial Council in May on the implementation of New Apprenticeships and the National Training Framework. Today you'll be hearing from a number of speakers about the details of these new developments. You'll be hearing about the overall National Strategy for Vocational Education and Training, the new National Training Framework and more about the New Apprenticeships.



## Vision

- importance of a quality, national training system
- VET sector needs to position itself in the global market and keep abreast of change
- a more open and competitive training market, which is client driven and responsive to the needs of clients

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This morning, I'd like to outline the Commonwealth government's vision for vocational education and training. I then want to focus on the training market, and, in particular, the new User Choice arrangements for apprenticeships and traineeships. The key element of the vision of the kind of country that we want Australia to be, is a quality national training system. A quality training system is critical in the development of a highly skilled workforce that can help Australian businesses' products and services establish themselves as market leaders worldwide. Businesses are facing increasing pressures from global competition and, as Stuart Hornery said, global competition is not just overseas, global competition is here in Sydney, in Melbourne, in Brisbane, in Adelaide, in Perth and throughout regional Australia.

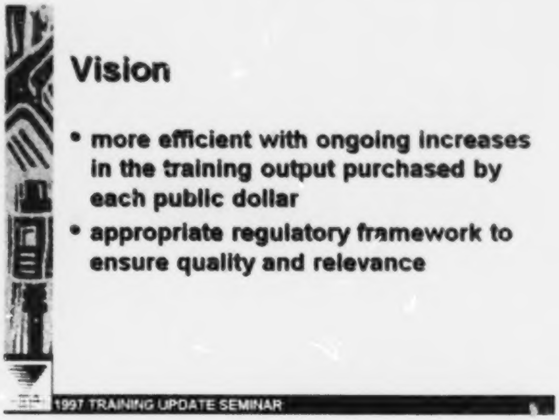
This growing competition means that businesses are constantly having to adjust to changes brought on by developments in information technology, by industry restructuring and by the on-going search for increased efficiencies. These pressures affect all industries in Australia. Business and industries which prosper will be those which can correctly read these trends and which develop a workforce which can adapt flexibly and dynamically to the challenges of the rapidly changing economic and technological environment. Australian businesses need a workforce with world class skills if they are to compete effectively in local and international markets. In recent years, the vocational education and training sector has championed the message of international competitiveness with Australian industries. It would be somewhat ironic, therefore, if the sector were unable to recognise the significant implications of this for its own arrangements.

In my view, while considerable progress is being made, the vocational education and training sector still needs to move further towards adopting the principles it espouses for others - such as positioning itself in the global market and keeping abreast of change. There is already evidence of increasing pressures on Australian vocational providers to produce for the global market. International providers are already looking at the Australian market and are offering training through the Internet. Australian providers must also begin to consider their competition as international. Providers need to recognise that clients increasingly see themselves as consumers with specific training needs to be met by players in the training market.

Consumers are becoming more discriminating and demanding. Clients want to have a say over the delivery and the content of apprenticeship and traineeship programs. They want to use new technology to bring training to remote sites and they want to tailor training delivery to better suit the diverse needs of their workplaces. Clients also want to deal with providers in whom they have confidence - providers who can demonstrate that they are at the cutting edge of their own business, are efficient, client centred and quality assured. One thing is certain, if clients can't get what they want from the Australian vocational education and training system, it will become increasingly easy for them to look outside to the global market to meet their needs.

Our system cannot ignore those pressures - it must respond by itself becoming more responsive to clients. Australians have a proud tradition of aspiring to be the best. We have to continue this tradition in our training system if as a nation we want to compete successfully in the global economy. We must build the image of a training system that is flexible and responsive and poised to face the many challenges ahead. Many of the reforms currently being introduced will help the training sector to respond to the changing world environment and to position itself as an international leader.

The Commonwealth Government is working closely with the States and Territories to develop a more open and competitive training market which is client driven and responsive to the needs of business and industry.



**Vision**

- more efficient with ongoing increases in the training output purchased by each public dollar
- appropriate regulatory framework to ensure quality and relevance

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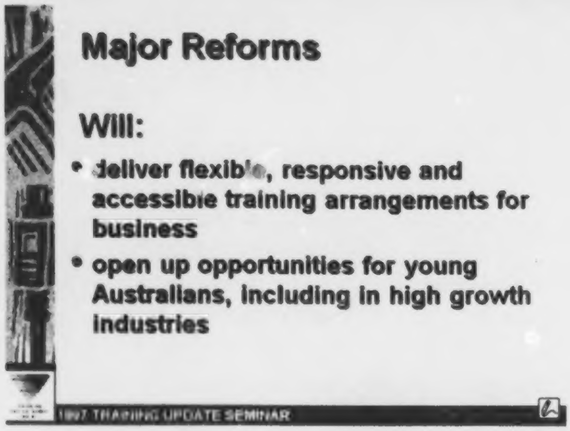
The Government believes that the vocational education and training system must become more efficient with on-going increases in the training output purchased by each public dollar. We want to see less regulation. We still need an appropriate regulatory framework for the training market to ensure quality, relevance and flexibility so that employers and trainees can be confident about what they are getting and that they're getting what they require. We want quality assurance in the training market in a free enterprise economy with a highly mobile labour force. We need a national framework for the provision of training so that qualifications are portable throughout Australia and across industries. Most importantly, we're seeking increased participation by Australians in vocational education and training. Increased participation is going to be one of the main indicators of success. We also want to build on this country's tradition of social fairness and provide opportunities for those in our society who are disadvantaged. The training system has an important role to play in delivering jobs, wealth and well-being to all members of this community.



**Major Reforms**

**Will:**

- deliver flexible, responsive and accessible training arrangements for business
- open up opportunities for young Australians, including in high growth industries

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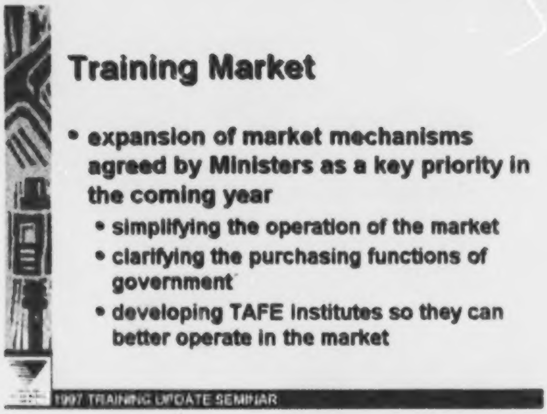
It's in the context of all these objectives that the Government has embarked with the States and Territories on a process of major reforms to vocational education and training. I'm very pleased that many of these reforms were signed off by the Commonwealth, by State and Territory Ministers for vocational education and training at the Ministerial Council Meeting in May this year. The historic agreement reached at that meeting will lead to the introduction of Australia's first truly national approach to apprenticeships and traineeships from January next year. This landmark agreement is a significant step forward for young job seekers, Australian businesses and the Australian economy. It will deliver flexible and responsive training arrangements for businesses and it will open up opportunities for thousands of young Australians including in high growth industries such as tourism and hospitality, technology, sport and recreation and finance as well as in the traditional trades.

The new national system has been developed in close consultation with industry to ensure that it meets the needs of businesses, particularly small and medium sized businesses. Ministers also agreed on arrangements which will lead to the implementation of the National Training Framework which will provide streamlined accreditation, registration and recognition arrangements within a national quality assured system of vocational education and training. I'm sure that Mr Mark Paterson, who's been a significant player in these developments, will provide more detailed information of the new National Training Framework later in this seminar.

Returning to the broad landscape of vocational education and training, one of the major influences for change will be the acceleration of market reforms. A new National Strategy for Vocational Education and Training is currently being developed by the Australian National Training Authority in collaboration with the Commonwealth, States, Territories and industry.



**Training Market**

- expansion of market mechanisms agreed by Ministers as a key priority in the coming year
  - simplifying the operation of the market
  - clarifying the purchasing functions of government
  - developing TAFE Institutes so they can better operate in the market

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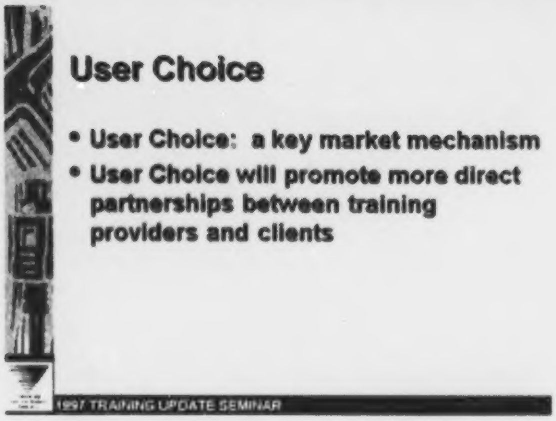
The strategy will incorporate new policy directions in the development of the training market and the implementation of User Choice. As part of this process, Commonwealth, State and Territory Ministers have identified the expansion of market mechanisms as a key priority in the coming year. Some of the other areas which will be addressed include simplifying the operation of the market, clarifying the purchasing function of government and developing TAFE Institutes so they can better operate within this market. In developing the national training market, we're aiming to ensure that government funds are used efficiently and the training products and services are value for money for enterprises and individuals.

Increased competition in vocational education and training is integral to the objective of developing a client driven, responsive training system. Competition can be an effective trigger for organisations to improve services, reduce costs and focus attention away from internal concerns and onto the concerns of their customers. There is strong agreement nationally that the current purchasing mechanisms and the structure of the relationships between clients and providers do not always reflect direct demand, but rather accommodate and at times reinforce supplier side rigidities. In order to empower clients, and make suppliers more responsive to their needs, it is necessary to increase client awareness through improving information systems, describing accurately and clearly the training products that are available and informing potential clients about the performance of individual providers.

As many of you are aware, Australian National Training Authority has recently completed extensive national consultations on how to develop a more responsive training market which delivers quality outcomes. Following these consultations, the Australian National Training Authority will be developing strategies to further improve competitive mechanisms for consideration by Ministers. ANTA is also coordinating collaborative national work on improving pricing and costing methods. Consistent and transparent costing and pricing policies will enhance competitive funding processes. I understand that several States and Territories have undertaken evaluations of their own competitive processes and are already considering further improvements. Some States are working on applying competitive neutrality principals which aim to remove any competitive advantage of significant government business enterprises by virtue of their public sector ownership in the vocational education and training sector.



**User Choice**

- User Choice: a key market mechanism
- User Choice will promote more direct partnerships between training providers and clients

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User Choice is one of these key market mechanisms. From the point of view of employers, the decisions on User Choice at the recent Ministerial Council Meeting were perhaps the most significant. Agreement was reached to arrangements for making more competitive the allocation of around $500 million a year in Commonwealth and State funding for the off-the-job training for apprentices and trainees. All but one of the States have now formally agreed that from January, 1998, off-the-job training for commencing apprentices and trainees will operate under User Choice arrangements. They have agreed that they will also consider, on a case by case basis, making User Choice available for existing apprentices and trainees, and I've encouraged them to do this as far as it is possible.

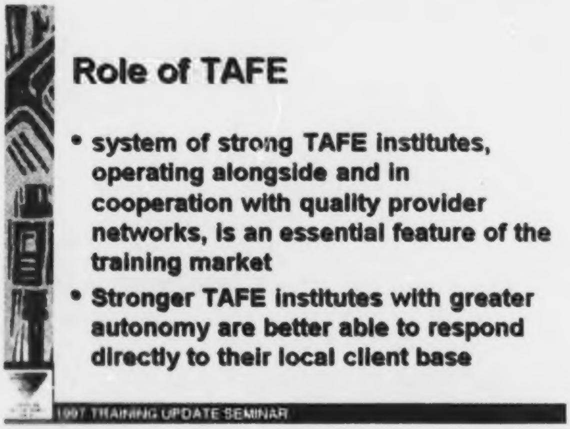
At this stage NSW has reserved its position on User Choice. I'm hopeful, however, that this will not be an impediment to the effective implementation of User Choice principles in NSW from January next year. Under the new User Choice arrangements, public funding will be allocated to the training provider selected by the client, in this case the employer acting in concert with the apprentice or trainee.

Clients will be able to select any registered provider, either a TAFE Institute or a private provider and negotiate aspects of the content, mode of delivery, location and timing of training within the framework of endorsed competency standards and costs established by government. This is a key initiative for building a more responsive, market oriented training system. User Choice will promote more direct partnerships between training providers and clients at the point of training entry. This will give employers an unprecedented opportunity to make the system work for them and to tailor training to their own needs.

Importantly, the framework of User Choice will also ensure that the training results in portable, national qualifications. Under User Choice arrangements, the funding for apprenticeship and traineeship training will be based on unit cost benchmarks set by the individual State or Territory. This is to ensure that the prices set for training reflect the actual costs of delivery. Unit costs set for efficient provision may be increased by including a loading for access and equity reasons. Clients may want training over and above that which is essential to the apprenticeship or traineeship qualification and above what will be funded publicly. Under the new arrangements, this extra training can be negotiated between clients and providers and purchased directly by the client.

The Australian National Training Authority Ministerial Council has agreed that User Choice will operate in a national market, not limited by State or Territory boundaries. Clients will be able to choose their provider regardless of whether the training is conducted in their home State or interstate and regardless of the State or Territory in which the training provider is based. The Ministerial Council has also agreed that more open access to publicly owned facilities and equipment is a desirable element of User Choice. States and Territories will pursue this issue within the context of their approaches to implementing competition policy.

Several States and Territories have already introduced policies and arrangements to allow access to publicly owned training infrastructure by private providers. This is an important issue for User Choice and for opening up the training market generally. It's expected that these more flexible arrangements will allow providers to negotiate access to TAFE infrastructure including expensive and specialised facilities and equipment. This should open up new opportunities for clients and providers, particularly in rural regions.



**Role of TAFE**

- **system of strong TAFE institutes, operating alongside and in cooperation with quality provider networks, is an essential feature of the training market**
- **Stronger TAFE institutes with greater autonomy are better able to respond directly to their local client base**

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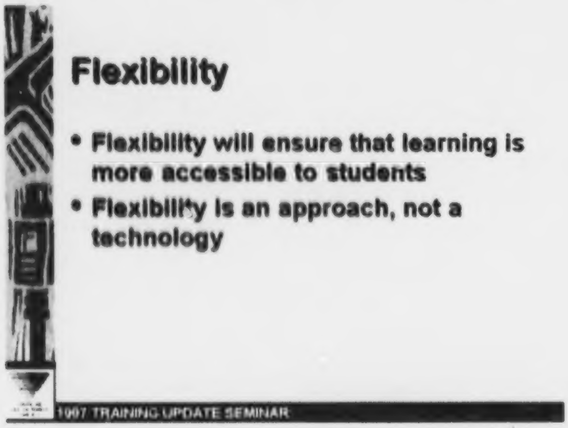
These developments, of course, raise the question of where TAFE fits into these new arrangements. I'd like to emphasise that I believe a system of strong TAFE Institutes operating alongside, and in competition with, quality private provider networks is an essential feature of the training market. TAFE assists in creating a national vocational educational and training system that is equitable and accessible to all groups within the community. The Government recognises the importance of TAFE as a key provider of vocational education and training particularly in regional areas. We also recognise the important social and second chance role that TAFE plays in providing further education and training for students from disadvantaged groups.

TAFE is well placed to take a lead role in the more flexible and responsive training market that is being established through the current reforms, particularly where individual institutes and colleges have been given the autonomy to respond at the local level. Stronger TAFE Institutes with greater autonomy are better able to respond directly to their local client base. Our industry clients have told us that they would prefer to negotiate needs directly with local providers.

Many TAFE Institutes have been saying for some time that if they are expected to operate in a market then they must be able to act as a business unit with control over their own business decisions. We can no longer afford to maintain rigid bureaucratic controls over the TAFE system. They stifle flexibility and create inefficiency. Money spent on costly administrative overheads would be better spent on training delivery. TAFE autonomy is gradually becoming a significant feature of the Australian vocational education and training system. The features of more independent TAFE Colleges are likely to include: government by an independent board with annual performance contracts with government; enterprise agreements with the staff at institute level with power of employment; investment strategies that open capital expenditure to market considerations; and activity in the commercial and international markets at the discretion of the institute with prices influenced by market forces. While many of you in the audience today may find these concepts commonplace, for many others such an environment would represent a rather different landscape. The challenge ahead is to use the recent pressures for responsiveness and efficiency in TAFE to enhance its competitiveness and in so doing protect what is valuable and important about TAFE Institutes in Australia.



**Flexibility**

- Flexibility will ensure that learning is more accessible to students
- Flexibility is an approach, not a technology

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A further important aspect of ensuring that the system does deliver what clients are seeking, is the development of more flexible approaches to training delivery. Flexibility will ensure that learning is more accessible to students. This means not only emphasis on new educational technology, but also on workplace learning and collaboration between clients and providers and between different providers. Partnerships can take many different forms including joint training provision or sharing of resources. Collaborative arrangements can produce cost effective, high quality training products and enhance the competitive edge of both public and private providers. Collaborative ventures can also be used to provide innovative forms of service delivery particularly through the use of multimedia.

Many clients, including small businesses, have expressed an interest in on-line training. There are many different approaches now being developed to incorporate greater flexibility in the system. Around the country we see examples of training with a focus on flexible entry and exit points, self-paced learning, negotiated assessment, credit transfer and the recognition of prior learning. Training providers are increasingly using technology to bring training to remote communities and to expand the range of opportunities in rural areas. Innovative companies are standardising their training by using computer assisted and computer managed learning. TAFE Institutes are offering courses via the Internet, making training accessible in areas where there are insufficient numbers for viable on-campus programs. Nonetheless, most vocational education and training programs are still delivered in the classroom at scheduled times which are decided by providers in ways which are decided by teachers and assessed in limited and formal ways.

It is in these basic client/provider issues that real flexibility needs to happen. Flexibility is an approach, it's not a technology. From the client's perspective, increasing the range of participative options means that they can access information and instruction in a variety of ways which suit their own preferred learning style and the needs of their business. A national approach to flexible training delivery is moving to the implementation stage. The approach is based on a set of principles agreed by the Australian National Training Authority Ministerial Council and an implementation plan.

Within the plan there are currently a number of projects being undertaken, including, for example, an evaluation of new technologies, a review of existing allocation models to accommodate flexible delivery and a study of cable television as a medium for training delivery.

In conclusion, the various initiatives that I've outlined illustrate the enormous progress that's been made in developing a simpler, more relevant training system that is responsive to the needs of clients. The 18 pilot one-stop apprenticeship shops that have been established in the lead up to the new employment placement market next year, I believe are already showing the considerable advantages of bringing together State and Commonwealth services at one delivery point. Resources being increased for Group Training are also going to be of great value in making sure that the smaller and medium sized enterprises in particular can access the kind of training they want on terms and conditions that suit their particular business needs.

In particular, I am confident that our initiatives to expand and improve competition in the training market will promote greater innovation and flexibility and will result in a world class training system that delivers quality, relevant training. The Commonwealth is working closely with the States and Territories on the implementation of these reforms and the development of a true training culture in Australia. I encourage all of you to support these changes and to work with us to face both the challenges and the enormous opportunities that lie ahead.

One of the rewards of politics, and there are some, is having people tell me that our policies and programs make a positive difference to them. Using the feedback and support that I receive from clients of the system as an indicator, I am well convinced that we are together positioning the vocational education and training system not only to take account of the changing world around us, but to play our own part to change the business landscape of Australia through vocational education and training.

I congratulate the Australian National Training Authority and the Board of the Authority and Stuart, you in particular, for organising this update seminar. It is wonderful to see the interest here in the numbers of people who've come along. It is disappointing to hear that some 200 had to be turned away, but I'm sure all of those who are here will find this an extremely informative seminar. I hope that you'll go away encouraged to pursue and take maximum advantage of the wonderful opportunities that I believe are now opening up. Thank you.

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

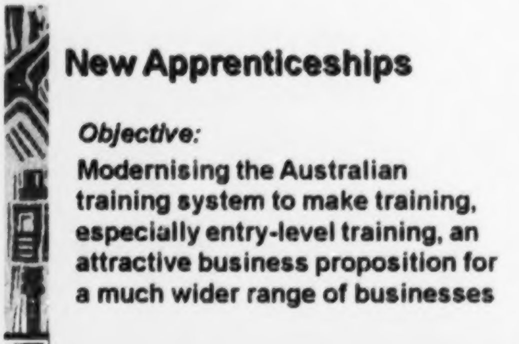
Thank you very much, Minister, on behalf of all our guests here today for your introductory remarks. I'm sure everybody here can see that you have nailed your vocational education and training colours very firmly to the mast.

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

Allow me to introduce Stella Axarlis. Stella is going to be briefing the seminar on developments in the area of New Apprenticeships. Stella has been a member of the ANTA Board since December 1995 and she Chairs the ANTA Board's Advisory Committee on New Apprenticeships - a committee made up of a number of industry and other representatives which is providing comprehensive advice to the ANTA Board on developments in the New Apprenticeship area. Stella is the Managing Director of Bilcon Engineering in Melbourne. It's a firm which has won a number of awards for excellence including the Australian Quality Award for Small Enterprise. As Stuart Hornery mentioned this morning, Stella Axarlis and Jenny Rixon are two representatives on the ANTA Board who come from a small business background. Stella is a member of the Victorian Arts Centre Trust. She's on the Casey Institute of TAFE Council and the Australian Institute of Company Directors. She is also a Councillor on the Victorian Committee of the Australian Quality Council. Thank you very much - Stella Axarlis.

**Stella Axarlis**
**Managing Director Bilcon Engineering Pty Ltd**
**ANTA Board Member and Chair ANTA Board Advisory Committee on New Apprenticeships**

This is not going to be as formal a speech as Stuart Hornery's and David Kemp's who were really outstanding but I hope that it will be informative. I almost did not make it here today because my mother is dying. As I said goodbye to her, I said "Would you like me to stay?" and she asked me "Where are you going - is it going to make a difference?" Here was a woman whose mind is ravaged by Alzheimers disease, whose body is ravaged by old age but she still asked the question, "At the end of the day, will you make a difference? - Will there be an outcome?"



**New Apprenticeships**

***Objective:***

**Modernising the Australian training system to make training, especially entry-level training, an attractive business proposition for a much wider range of businesses**

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Ladies and gentlemen, the New Apprenticeships and the reform process being introduced is inevitable. It must come, but it must come today. It must happen and must happen in a structured way to assure quality outcomes. As a supplier to a large organisation, I am often asked to participate in development work and sometimes give advice to our clients who are much larger than we are. As a client of the system, I was constantly having training courses imposed upon me without my consideration. We will not create one job, we will not change the heart and mind of one employer unless we have a training system which is an attractive business proposition.

Ladies and gentlemen, the creation of wealth is not mutually exclusive with a social consciousness and an environmental consciousness - European countries have proven that. But to create wealth, we have to be globally competitive - it's the creation of wealth which allows us, and gives us, the privilege and responsibility to be part of the ANTA Board and part of this training seminar. But to do it we must remain globally competitive. But the benchmark is getting higher and higher and we cannot be in a catch-up situation. We have to be at the front line of change. We must maintain a competitive edge and we cannot allow ourselves to slip as we are currently doing - in our skills base, in our ability to access training which is relevant to our industries, and in our ability to have quality assurance mechanisms, so that in the devolution of the system we can be assured of quality training.

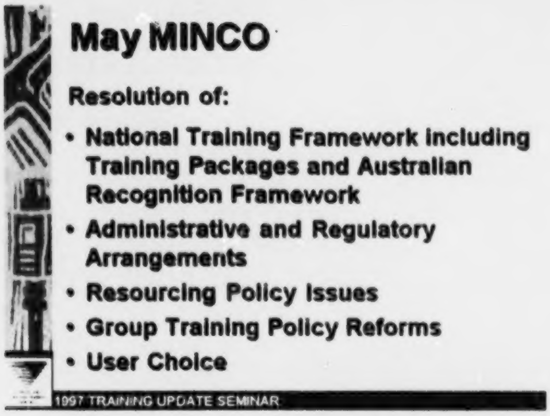
The Group Training Schemes will allow small and medium enterprises under best practice organisations, I hope, to access trainees and apprentices without the difficulty of having to commit to long-term agreements. Bilcon has been a learning organisation over the last six and a half years in spite of the training system that we encountered in the beginning. It is changing and you heard both Stuart Hornery and David Kemp tell us that these changes are already there.

I hope I can make a difference today in announcing some of the changes that have been implemented and those which are about to be implemented. I was given the privilege of Chairing the Reference Group which forwarded the recommendation to the Ministers and I thank every member of that group. It was a very diverse group and I really question my ability to Chair such an august group of large organisations, small businesses, State and Federal - it was quite a challenge.

Moving on to the Advisory Committee. As a member of the ANTA Board to present to the ANTA Board a report which went to the Ministers, and which passed the resolutions that we would talk about today, I was encouraged by the enormous commitment of all stakeholders: the States, the Commonwealth, the ANTA CEOs, large organisations, trade unions, small organisations and I thank each and every one - many of them are here today.

Ladies and gentlemen, everyone, let's get a little less serious - could I have the members of the Advisory Committee on the New Apprenticeship stand up please. Would you please give them an applause. Thank you. The objective (it was important to follow the brief of Minister Kemp - and I am delighted to have a Minister who understands his portfolios to the extent he does) was to modernise the Australian training system in order to make training, especially entry level training, an attractive business proposition for a much wider range of businesses.

What does it mean? It meant that we had to extend training to new businesses, to new technology - we could not be shackled by the Declaration of Vocations which was inflexible and did not allow us to access training quickly, the way we wanted and relevant to our businesses. It was important, therefore, to allow other enterprises who were excluded from the system to access public funded training and I'm sure Mark Paterson will talk about that later.



## May MINCO

**Resolution of:**

- **National Training Framework including Training Packages and Australian Recognition Framework**
- **Administrative and Regulatory Arrangements**
- **Resourcing Policy Issues**
- **Group Training Policy Reforms**
- **User Choice**

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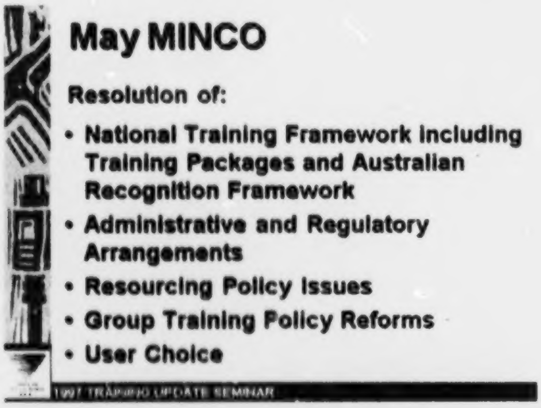
We had 14 months of enormous discussion and really the resolutions of the May MINCO on 23 May, focussed on, as you've heard, the National Training Framework, including Training Packages and the Australian Recognition Framework - the administrative and regulatory arrangements that made it impossible and the myriad of regulations which made it impossible for smaller enterprises to access training, the resource and policy issues, the Group Training policy reforms and, above all, User Choice. People are frightened of change, ladies and gentlemen. They are frightened of change when it seems to affect the comfort zone. But the world is changing at such a rapid progression that we cannot but espouse the principles of User Choice, which I will discuss in a minute, because that is the basis of this so-called flexible arrangements of accessing my type of training.



May MINCO

Resolution of:

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- User Choice

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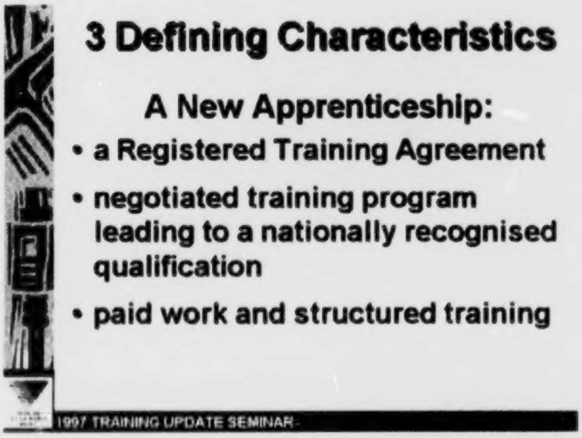
The principles of the New Apprenticeships were really that they be industry led and industry must, and has, taken a leadership role in the decision making process. But, above all, industry must continue to demand and drive the type of structured training that will become available. The system had to become easier for employers and individuals to navigate and even I, who as a small business owner and had a sound academic background, found it impossible to understand some of the regulations. The regional and community involvement, which I'll talk about later, was to really ensure that the needs of local enterprises were met.

We come to the question of access and equity. I have read a myriad of reports on access and equity and we have focussed on equity, but we haven't focussed on access. We have regurgitated report after report on the importance of access and equity.

What I would like to see, ladies and gentlemen, it is not in my script - obviously - because I'm looking up - is the fact that I want a system which says that best practice organisations can now only be acknowledged as best practice organisations if they have an access and equity policy.

I want Australian Quality Awards to go only to those companies which do have access and equity, not only in their policies, but which exercise it. But at the same time, I want to be able as an employer, to have access to the support that will help me provide access, rather than a myriad of reports that tell me how important it is. I hope that in future we can focus on that part of the access and equity question.

Finally the National Training Framework. I have spent my life and I mean it seriously, in the pursuit of excellence. Coming from a Greek background, I have spent my life being independent. We can never be managed and we never are disciplined, and therefore I hate systems that impose on me. But, at the same time, I understand that when you devolve a system, you must have highly structured mechanisms to assure quality. To ensure that in devolving the system we do not devolve the responsibility of the quality assurance mechanisms that will provide the sort of training which will make us competitive in the future, given that, as I said, the benchmark and the distance between the top countries and ourselves is growing.



## 3 Defining Characteristics

**A New Apprenticeship:**

- **a Registered Training Agreement**
- **negotiated training program leading to a nationally recognised qualification**
- **paid work and structured training**

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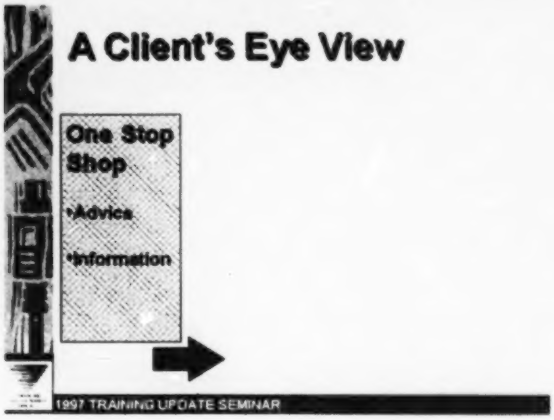
But what are the really defining characteristics of a New Apprenticeship? There are three basic ones - the registered training agreement, the negotiated training program agreed on by both parties and based on a national Training Package which leads to a nationally recognised qualification, which allows young people to transport the skills from one industry to another, from one State to another. And, in compliance with the training agreement, the apprentice and trainee has to be in appropriate paid employment and be receiving structured training on - and, if the training agreement recognises, off-the-job. All apprentices and trainees employed and trained under arrangements which embrace these characteristics will be New Apprentices, and there will be one single policy structure covering all structured employment-based training.



**A Client's Eye View**

**One Stop Shop**

- Advice
- Information

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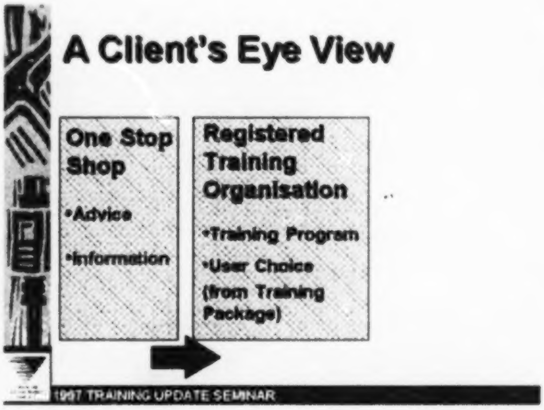
From my perspective, from the clients' perspective, we have the view that the negotiation and the registration of a training agreement should be a simpler and more flexible process. One Stop Shops, bringing together State and Commonwealth functions, will be able to provide comprehensive advice on New Apprenticeships. But a word of warning to all the States which implement this: we must have consistency in our approach, we must train the officers to be able to listen to what the client's requirements are and to be able to advise.



**A Client's Eye View**

**One Stop Shop**

- Advice
- Information

**Registered Training Organisation**

- Training Program
- User Choice (from Training Package)

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The next point, is having gained this information, the employer will be able to select the registered training organisation most suited to their needs. By the way, ladies and gentlemen, as an organisation accredited to ISO 9001 can I do a little bit of promotion for Bilcon - one of our suppliers to the automotive industries spent $1.6 million obtaining QS9000 qualifications which is the new qualification for the automotive industry. Bilcon spent not one cent except just human resource effort because we were a learning organisation. We had established that criteria and, above all, our training providers were assessed under the same procedures that we assess the providers of our raw material, our components. And, therefore, it is important that small and medium enterprises, like the large organisations, assess their training providers according to the outcomes they have given. I do not have a problem, ladies and gentlemen, with evaluation. I do not have a problem with measurement, because unless we measure, we cannot manage - we can only manage in fact if we measure.

The Registered Training Organisation will be able to help you design a training program tailored to your needs and that's where they should be facilitators - educators in what is available and not impose on the organisations. And the program must deal with

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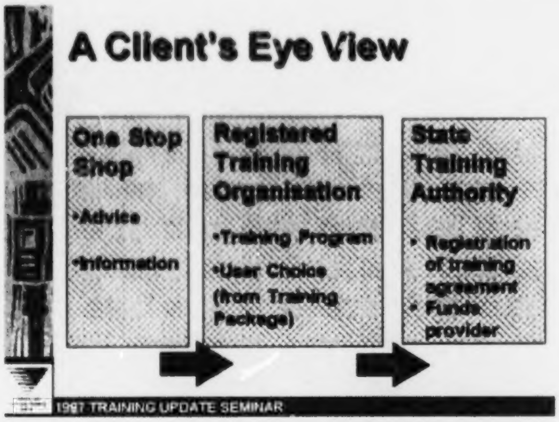
competencies to be gained, the mode of delivery and the assessment arrangements and no other third party approval is needed.



### A Client's Eye View

**One Stop Shop**

- Advice
- Information

**Registered Training Organisation**

- Training Program
- User Choice (from Training Package)

**State Training Authority**

- Registration of training agreement
- Funds provider

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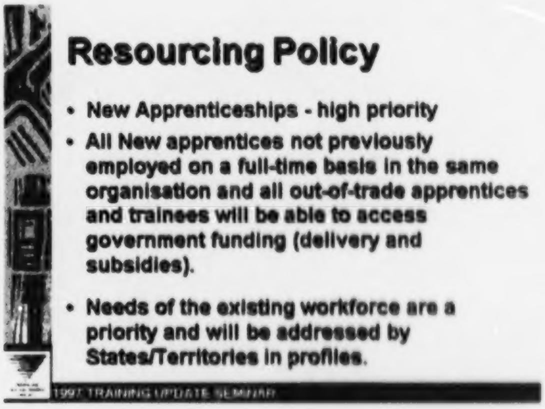
Having negotiated a Training Agreement, the process is finalised by the registration of the Training Agreement with the State Training Authority. Then the State Training Authority will pass the funds back to the chosen provider.



### Resourcing Policy

- New Apprenticeships - high priority
- All New apprentices not previously employed on a full-time basis in the same organisation and all out-of-trade apprentices and trainees will be able to access government funding (delivery and subsidies).
- Needs of the existing workforce are a priority and will be addressed by States/Territories in profiles.

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The resourcing policy, the New Apprenticeships have a high priority and it is important that all New Apprentices who are not currently, or have not previously been, employed full time in the enterprise for which they're signed on, will be able to gain access to government funding.

All out of trade apprentices and trainees will also be able to access government funding. This policy will ensure that the past commitment to funding training for apprenticeships is continued. I was speaking to my brother this morning who has been the financial accountant of a large organisation, who said apprenticeships are dead. I said I think you had better get a hearing aid - I've been talking to you about the New Apprenticeships for the last year. But that is the lack of understanding and knowledge. At the same time, it is important to note that we cannot market a program until it is available and ready.

By the way, ladies and gentlemen, I know of an organisation that spent $1.6 million on a TV campaign but unfortunately no-one bothered to ask the manufacturing manager whether this product would be available immediately after the TV campaign. So you can imagine what happened - nothing. Therefore $1.6 million was lost.

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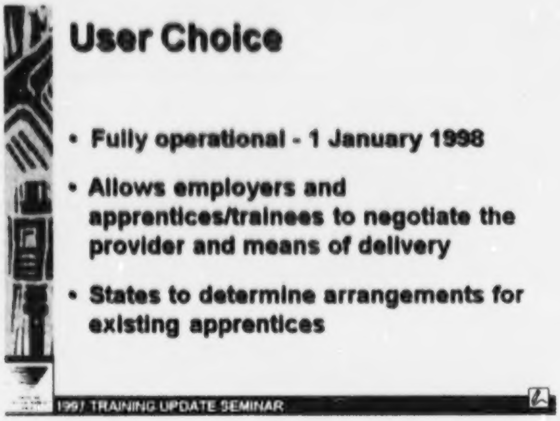
We cannot afford to implement that - a marketing strategy when we are not ready for the product. But it is important that we do have an understanding of what is happening and that is why we are here today. Addressing these priorities will not, and must not, be at the expense of the needs of the existing workforce. The ANTA Board and Ministers believe that the needs of the existing workforce must remain a priority, however they will not be automatically able to access public funding and it will be a matter of State priority. Why is User Choice so important? I think it is really, ladies and gentlemen, because our global competitiveness depends upon it. I think it is vitally important and I hear many discussions about its validity but unfortunately it's fundamental and crucial to these reforms and without it, I think the edifice will break down.



**User Choice**

- Fully operational - 1 January 1998
- Allows employers and apprentices/trainees to negotiate the provider and means of delivery
- States to determine arrangements for existing apprentices

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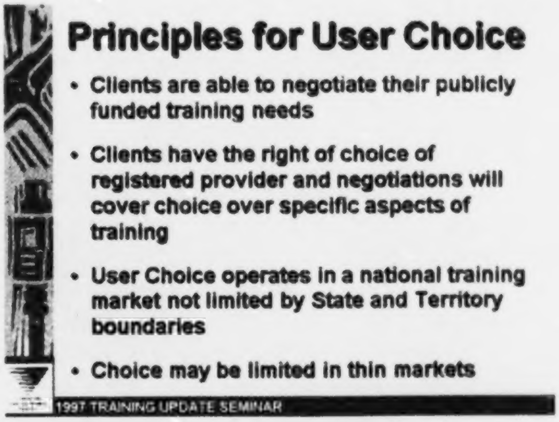
User Choice does encourage a direct and market relationship between the individual providers and the employers and their apprentices and trainees. User Choice will allow employers and apprentices and trainees to negotiate the provider and means of delivery. Clients will be able to approach any Registered Training Organisation, registered to provide the type of training that they want, and State Training Authorities will arrange for government funds to be directed towards the registered trainer of choice. I've said this before, but like a good teacher, ( I started my life as a teacher) things have to be repeated to get in, the re-negotiation of arrangements for existing apprentices will also be possible. And the arrangements for handling this will be determined on a State-by-State basis.



**Principles for User Choice**

- Clients are able to negotiate their publicly funded training needs
- Clients have the right of choice of registered provider and negotiations will cover choice over specific aspects of training
- User Choice operates in a national training market not limited by State and Territory boundaries
- Choice may be limited in thin markets

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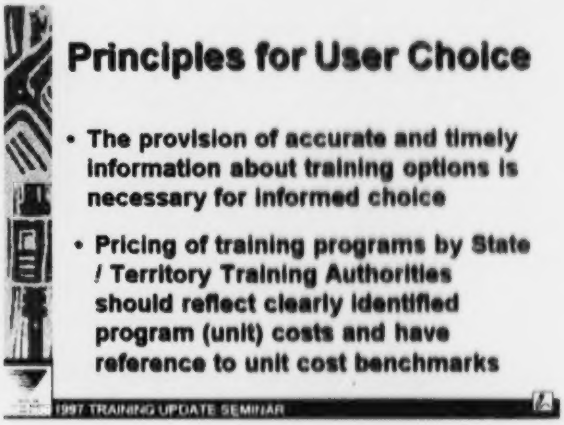
We said that we had to have a system that was an attractive business proposition. In order to have employers take up the challenge, the system had to facilitate support for the employers for a system that listened to their needs. So we had the ability to negotiate, the right of choice, a national training market and where choice is limited in thin markets, where there are low numbers, or in remote locations where clients have access to a limited number of providers, States and Territories will manage this case in a way that maximises choice. While I am concerned about thin markets, let me say the availability of new technology is so wonderful for our training market but also so challenging.

As a member of the Prime Minister's Council of Science and Engineering Technology, I was privy to a wonderful presentation of what is available out there. Wonderful for Australia and its remote areas, but also challenging for the existing providers.



## Principles for User Choice

- **The provision of accurate and timely information about training options is necessary for informed choice**
- **Pricing of training programs by State / Territory Training Authorities should reflect clearly identified program (unit) costs and have reference to unit cost benchmarks**

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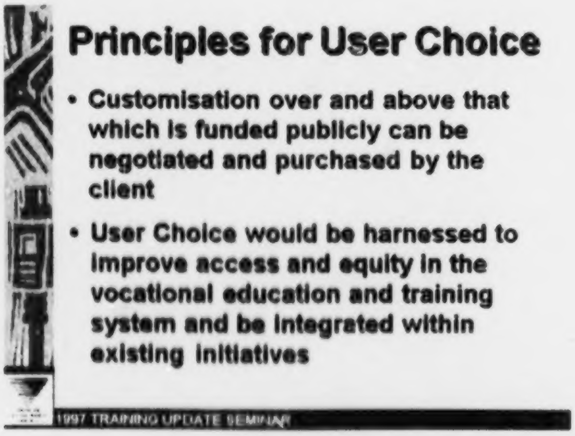
The provision of accurate and timely information about training options is absolutely necessary, because unless the client is informed we cannot make the right choices. From a client's perspective the One Stop Shops I mentioned earlier will be key sources of information of the range of options available and accredited brokers will also be able to link clients to suitable providers.

The pricing of training programs for State and Territory Training Authorities should reflect clearly identified program unit costs and have reference to unit cost benchmarks. Unit costs set for efficient provision may be increased by including a loading for access and equity reasons, and User Choice will be paid, based on competition by quality not price. The common costing principles agreed to by the Ministerial Council will provide the basis upon which government funding will be allocated.



## Principles for User Choice

- **Customisation over and above that which is funded publicly can be negotiated and purchased by the client**
- **User Choice would be harnessed to improve access and equity in the vocational education and training system and be integrated within existing initiatives**

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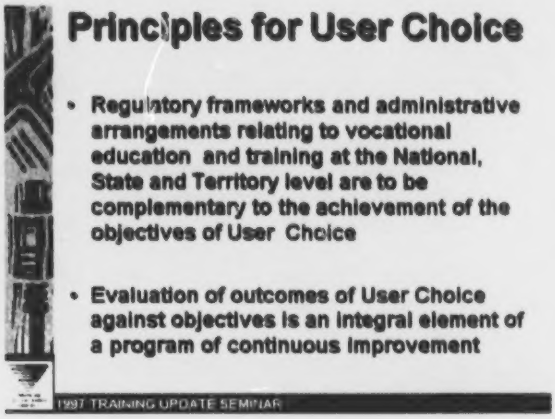
Customisation of over and above that which is funded publicly can be negotiated and purchased by the client and that is fair.

User Choice should be harnessed to improve access and equity. I do not wish to see another small business strategy or another access and equity strategy. It must become part of our thinking at all times of how we deal with those issues in the mainstream, not as an aside. And I believe the principles of User Choice are the one thing that can make a difference for access and equity.



### Principles for User Choice

- **Regulatory frameworks and administrative arrangements relating to vocational education and training at the National, State and Territory level are to be complementary to the achievement of the objectives of User Choice**
- **Evaluation of outcomes of User Choice against objectives is an integral element of a program of continuous improvement**

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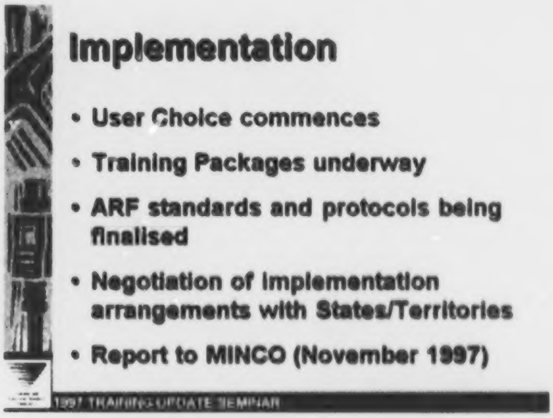
Regulatory frameworks and administrative arrangements relating to vocational education and training at the national, State and Territory level are to be complementary to the achievements of the objectives of User Choice. The evaluation of the outcomes are very important, and dear to the heart of User Choice. Again subjectives is an integral element of a program of continuous improvement. Innovation is required to achieve and maintain a best practice training system.

Ladies and gentlemen, there is no difference between the arts industry, the manufacturing industry and the training industry - we are all faced with the same challenges, the same requirements and we all must focus on the client, both the trainee and the employer.

Above all, I think that the question of VET in schools, which will be taken up later on, is extremely important. As you heard, we continue to spend our resources on educating 30 percent of our population for tertiary training, ignoring the skills that are so necessary for young people who do not wish to go on, and may go on later and provide career paths to access. I was told one day by a teacher "Lady, we are not there to feed industry". Ladies and gentlemen, if you are teachers and you think like that, you have failed in the primary objective of education, which is to think of your clients' needs.

The implementation process is that the States and Territories, ANTA and DEETYA, have already commenced really implementing the policy framework. The major elements of the New Apprenticeships are now in process and are being implemented. The States are preparing for introduction of User Choice and if I can make an impassionate speech (I'm sorry Mark tells me he can always hear Wagner and Aida when I'm speaking). Well so be it, so what!



## Implementation

- User Choice commences
- Training Packages underway
- ARF standards and protocols being finalised
- Negotiation of implementation arrangements with States/Territories
- Report to MINCO (November 1997)

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States preparing for the introduction of User Choice, please this is very, very crucial to the implementation process. The first Training Packages have been submitted for endorsement, arrangements for ELTSS and marketing is underway. Legislative changes have been considered but more work is needed on the funding of group schemes and New Apprenticeships in schools. I recently spoke to Toyota (and this is going to embarrass them because they now have to commit themselves to it on the New Apprenticeships) and explained what they were, and was able to reach some sort of commitment (and I hope it's been taken up by the relevant authorities), to introduce apprenticeships in schools in the area where Toyota is, where we have something like 30 percent youth unemployment. I think it is crucial to really commit ourselves to this changing process. To ensure that, despite State interests and differences which exist and must be accommodated, we have a national system that throws away barriers, that looks into the fact that we are now a global family, but thinks Australian.

Australia needs this system, Australia expects this system and Australia must have these reforms in order to survive and maintain the sort of lifestyle we so richly deserve. Thank you.

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

Thank you Stella for that presentation and thank you for all of the innovation you introduced into it as well.

# NATIONAL TRAINING FRAMEWORK, TRAINING PACKAGES AND AUSTRALIAN RECOGNITION FRAMEWORK

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

Our next speaker this morning is Mark Paterson. Mark was appointed the Chair of ANTA's National Training Framework Committee in October last year and he is a member of the ANTA Board. In June of this year, Mark was appointed as Chief Executive of the Australian Chamber of Commerce and Industry, and my script says here the nation's leading business representative organisation, but I think, in respect to other employer organisations, we should say one of the nations leading business representative organisations. Prior to this, Mark was the Executive Director of the Retailers Council of Australia in the Retailers Association of NSW. Since joining the ANTA Board, he has made a very strong contribution to the training reform agenda process. Mark will be outlining the New Training Arrangements including the Australian Recognition Framework and Training Packages. Following his presentation we will then have a panel session until lunch. Mark Paterson.

**Mark Paterson**
**Chief Executive, Australian Chamber of Commerce and Industry**
**Chair, National Training Framework Committee**

Thanks very much and good morning ladies and gentlemen. It's clear to me that the audience that we have here today indicates that vocational education and training matters in this country. It's also clear that reform of vocational education and training matters - it matters to the people in this room, it matters to those who wanted to attend this seminar and it matters to the whole of Australian industry and the students who are likely to pursue vocational education and training in preparation for their careers and in enhancement of their careers.

I would like to reinforce some of the points that have been made in earlier presentations. That is the status quo - the acceptance of existing arrangements - is not an option. None of us should be constrained in looking at these issues by the status quo - if we believe the status quo will prevail, we'll be left behind. It's clear if the public providers and the private providers operating under existing arrangements want to maintain those arrangements, they will be by-passed by Australian businesses looking for the provision of training that meets the needs of those businesses. And I think it's important that we emphasise that at the outset - it will be repeatedly emphasised today in the formal presentations and hopefully in the responses to questions. The status quo is not an option.

You heard from Stella, with a significant degree of passion, her commitment to change, the need for change and the need for change to move forward reasonably quickly. Stella also referred to the many reports that have been focussed on reform of vocational education and training in this country over time. One of those reports in fact described the many reports that were being issued as the big glossy cloud coming out of Canberra. I think we've moved beyond that big glossy cloud. This is not just the product of 15 months work, it's the product of at least six years of work of people looking at how we can reform vocational education and training. We've got to move beyond the voluminous text of those reports about how we can adjust it, and move to actually implementing the change.

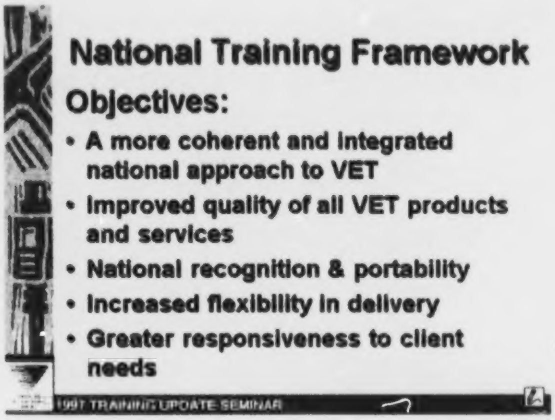
David Kemp talked of the historic meeting of Ministers, both State and Federal in May of this year, which committed themselves to the implementation of new training arrangements. For those of you with influence at a State and Federal level in this room, I urge you to continue to press for the implementation of the reforms that were agreed at that Ministerial Council meeting. I think it is critical to the success and the future success of vocational education and training in Australia. It is critical to the success and the future success of publicly provided vocational education and training in Australia if those reforms are implemented. We need to keep the faith and keep the pace of those reforms being implemented, if we are going to achieve those objectives.

Some of you might say well why is ACCI, as one of the leading business organisations in this country, prepared to focus its attention and resources on change in the vocational education and training area? There is a whole series of other important issues that we could be focussing our attention on - labour market reform, industrial relations reform, tax reform, industry policy and a variety of other areas. We focus resources in this area, one, because we believe it is critically important to the future success of Australian business, but we also believe it's critically important to the future success of Australia. I'm personally, as with the other members of the ANTA Board, prepared to make substantial personal commitments in trying to achieve these changes, because I, along with the other members of the Board, am firmly committed to trying to achieve change. We don't do this for personal aggrandisement or any personal reward - it is about trying to achieve some change in an area that is absolutely critical to the future success of Australia. Unfortunately you won't hear any Wagner - actually, fortunately you won't hear any Wagner or Aida from me. You may get some responses for that in questions from Stella. The passion and commitment that Stella has demonstrated in her presentation is carried through in the presentations that go before the Board and the needs of having a training system that meet the needs of all businesses in Australia, not just large business, not just medium size business, but small businesses.

I want to focus attention on some of the critical elements of the New Training Arrangements and the essential elements of those training arrangements. But I would urge you, in looking at them, not to look at them in isolation. The comments that I make need to be taken in conjunction with the comments that Stuart Hornery made earlier, that David Kemp made, that Stella made and those that follow us, because it's part of the integrated whole - that big glossy cloud has coalesced into a series of fundamental reforms. But they're not reforms in isolation.

You can't pick up the National Training Framework and not the Recognition Arrangements. You can't pick up those elements and ignore User Choice. What we're putting forward today, and we'll hopefully see implemented in the coming months, is a total package of reforms which are all interlinked and you can't just pick the ones that you like. There will be some tough changes as we go through this process but I urge you to pick up the package of reforms that is advocated if we're going to achieve the objectives we're looking for.

In turning to the New Training Arrangements, there are three essential elements. The first of those is the National Training Framework. The second is Training Packages and the third, the Australian Recognition Framework, and I'll seek to address those in order. I'd like to emphasise, as we go through this, a point that was made by Stuart Hornery earlier and that is, there ought not be in consideration of these changes, a pre-occupation with single State outcomes or a pre-occupation with turf wars in protecting existing patches. I think it's important as we go through this to try and focus on how can we give effect to this, not why should we not give effect to this. I think it's incumbent on everybody in this room to look at these reforms and work out how can we do it most effectively to deliver for our clients.



## National Training Framework

**Objectives:**

- A more coherent and integrated national approach to VET
- Improved quality of all VET products and services
- National recognition & portability
- Increased flexibility in delivery
- Greater responsiveness to client needs

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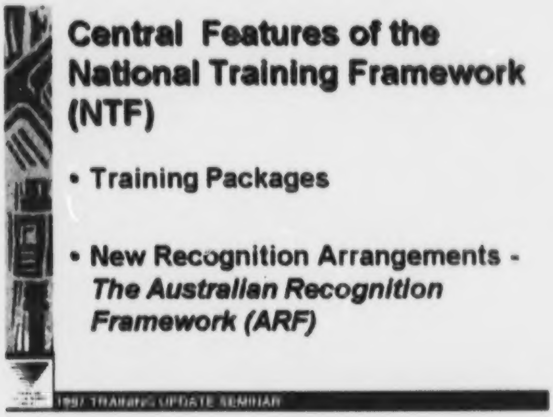
If we can turn firstly to the National Training Framework and to the specific objectives: a more coherent and integrated national approach to vocational education and training; improved quality for all vocational education and training products and services: and national recognition and portability of those. You heard some of those comments come from Stella that are integrated right throughout the range of changes we're looking at - increased flexibility in delivery and greater responsiveness to client needs. Now that's not rhetoric - those are not loose words just picked out and put forward to underpin a National Training Framework. They are about what we have to do to achieve the sort of change we're looking for.

If we can turn now to the central features of the National Training Framework.



## Central Features of the National Training Framework (NTF)

- Training Packages
- New Recognition Arrangements - *The Australian Recognition Framework (ARF)*

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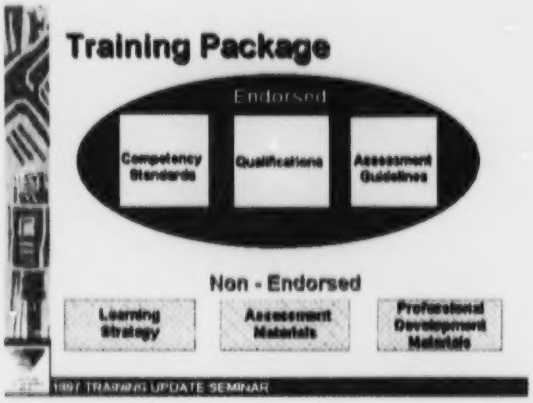
One of those central features is the issue of Training Packages. The second is the New Recognition Arrangements. I'd like to touch on the first of those, National Training Packages. There are, in the discussion that has gone on in relation to National Training Packages, two elements to this.



**Training Package**

Endorsed

Competency Standards

Qualifications

Assessment Guidelines

**Non - Endorsed**

Learning Strategy

Assessment Materials

Professional Development Materials

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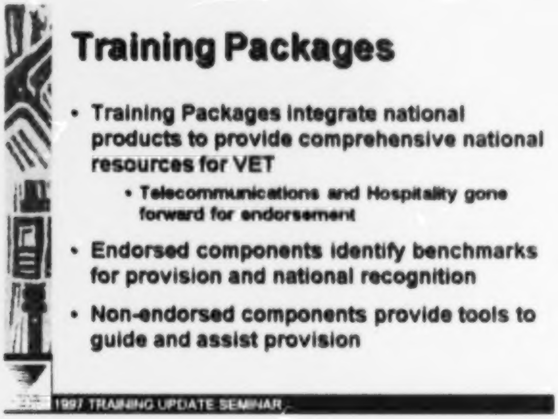
There is the endorsed element - I'll hesitate to use the word compulsory - but the endorsed element of National Training Packages and then the non-endorsed components. Within the endorsed area we have firstly, competency standards - nationally developed industry supported competency standards, providing the fundamental underpinning for the new Training Packages. We then have qualifications - that is the qualification linkage to the Australian Qualifications Framework. And the third area is Assessment Guidelines. Now those three elements make up the endorsed components of the National Training Packages.

We then have the non-endorsed components. Those non-endorsed components have three elements also. The first of those is learning strategies. Now learning strategies are identified in most peoples' terminology as curriculum, and there is a significant debate about whether curriculum or learning strategies ought to be an essential part of the endorsed part of Training Packages, or the non-endorsed components. It is our view, in changing the system from a system dominated by curricula and the needs of providers at the present time, if we're going to move away from that system to the system we envisage, you have to move away from a system that's driven by curriculum. You have to move to a system that's based on national competency standards, based on Assessment Guidelines and then have learning strategies and curriculum as an important part of the process, but not critical to the central nature of the endorsement processes of those Training Packages.

Now, I readily acknowledge that in the development of many of the industry Training Packages, those learning strategies and curriculum products and documents will be an important part of the Training Packages that are developed. In many cases the majority of the providers will deliver from some standard curriculum or standard learning strategies. But, it is important we move away from them being an essential feature of the endorsed part of it, and move to a system where there is the capacity for customisation and flexible delivery, in relation to those training arrangements - that's the reason for distinguishing it between the endorsed and non-endorsed components.

The other two elements of the non-endorsed components are assessment materials and professional development materials. And it is important in our view (whilst critically important to the delivery of the training programs), the professional development material needs of private providers and public providers will be different, and therefore ought to be available for appropriate customisation out of the endorsed components of the Training Package. There will be people in this audience who have a view that is different from the one I express about the incorporation of curriculum or learning strategies within the endorsed component, and I hope that's one of the issues that will come up for discussion in the panel session a little later.



**Training Packages**

- Training Packages integrate national products to provide comprehensive national resources for VET
  - Telecommunications and Hospitality gone forward for endorsement
- Endorsed components identify benchmarks for provision and national recognition
- Non-endorsed components provide tools to guide and assist provision

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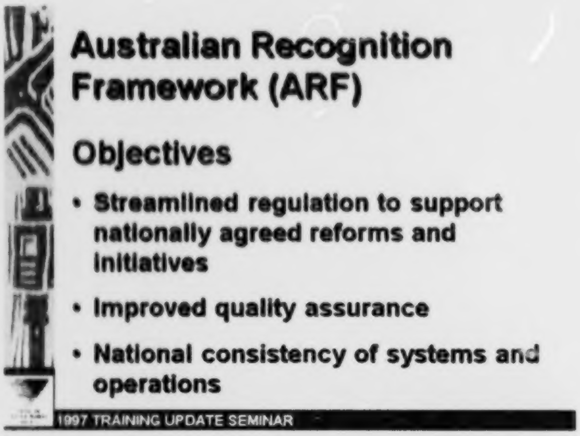
If we can focus specifically on the Training Packages. The Training Packages integrate national products to provide a comprehensive set of national resources for vocational education and training. Telecommunications and hospitality packages that have been developed are currently with the National Training Framework Committee for consideration. We also expect that the aerospace package and the retail package will very soon be before the Committee for its active consideration. Now it's important, in establishing the right basis for the New Training Arrangements, that those new Training Packages be carefully scrutinised by the Training Framework Committee before endorsement - and that process is in place at the present time.

I think its also important to note that if we look at the first four Training Packages that have been developed under the new arrangement - telecommunications, hospitality, aerospace and retail - we're not looking at Training Packages that focus on the traditional areas of traineeships and apprenticeships in this country. We're looking at two industry sectors which are new industry sectors for the development of vocational education and training in Australia, and two sectors that have not traditionally been renowned for focussing on structured vocational entry level training. The hospitality and the retail sectors, two very large employer sectors, two sectors from the service industries, haven't traditionally been recognised for having structured entry level training arrangements. I think it's important, as the process of change is implemented, that those two service industries - along with two other new industries, telecommunications and aerospace - are within the first four being considered by the National Training Framework Committee, and that change should not be lost on anybody in this audience.

The endorsed components of the National Training Packages will identify the benchmarks for the provision of training and for the national recognition of that training. I want to say now, and this should be remembered in all of the comments that I make, that we're not trying to come up with a new regulated system that just displaces one form of regulation with a new form of regulation. We're trying to increase the level of flexibility and the national recognition of these training arrangements. That is not to say that individual companies, individual enterprises within States, or individual industry sectors within States, won't want to do things that reflect the structure of industry within that State. There will still be the flexibility for State based arrangements to be developed, but what we're looking at is a system that is nationally consistent and nationally recognised. The non-endorsed components of the Training Packages will in fact provide the tools and the guidance to assist the provision of training in the new arrangements.

I'd like to move now to the third area of the New Training Arrangements and that's the Australian Recognition Framework. Once again this is not trying to replace one form of regulation with a new form of regulation. Nor is it trying to transfer the responsibility from one set of government bureaucrats to another set of industry bureaucrats, be they an Industry Training Advisory Body or elsewhere. What we're trying to do is to come up with a new, simplified, more workable but quality assured recognition framework.

The objectives of the Australian Recognition Framework agreed on are streamlined regulation to support nationally agreed reforms and initiatives, to improve the quality assurance of the existing arrangements, and to lead to national consistency of systems and operations.



**Australian Recognition Framework (ARF)**

**Objectives**

- **Streamlined regulation to support nationally agreed reforms and initiatives**
- **Improved quality assurance**
- **National consistency of systems and operations**

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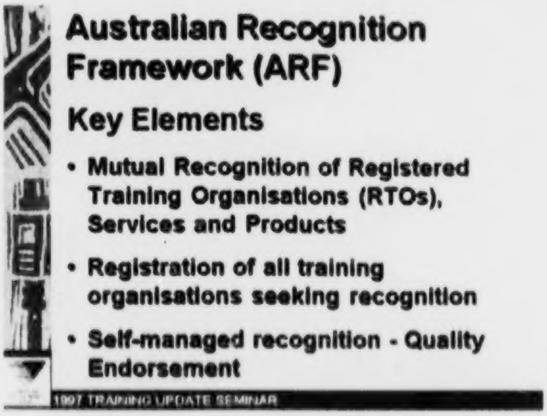
Stella emphasised the issue in relation to quality - it's constantly a matter of consideration of the ANTA Board and it requires emphasis today. We are looking at improved quality assurance, and for many within this room operating within the existing system, they will know that quality assurance under existing arrangements is patchy at best. What we're striving for in the nature of the reforms that we propose is substantially improved quality assurance and consistent quality assurance.

If we can now turn and look at the Australian Recognition Framework and its key elements.



## Australian Recognition Framework (ARF)

### Key Elements

- **Mutual Recognition of Registered Training Organisations (RTOs), Services and Products**
- **Registration of all training organisations seeking recognition**
- **Self-managed recognition - Quality Endorsement**

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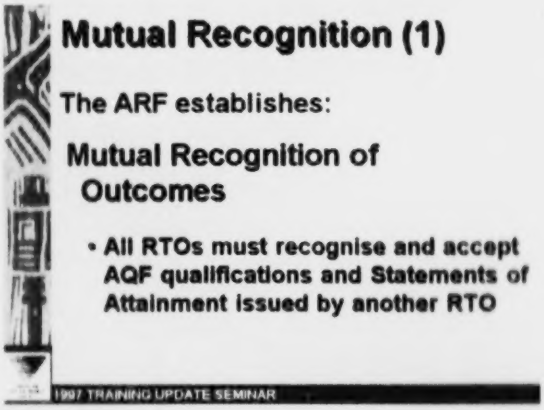
The first of those is the mutual recognition of Registered Training Organisations, mutual recognition of their services and mutual recognition of the products. For those of you who have been involved in the development of the change in vocational education and training, you will know that we've had three Commonwealth-State Ministerial Agreements on the National Framework for the recognition of training, to ensure that training delivered in one State is recognised across State borders. Despite those three agreements under that National Framework we didn't ever see effective implementation of it. What we are hopeful of is that we will see, under the Australian Recognition Framework, the proper mutual recognition of Registered Training Organisations, of their services and their products. We want to see recognition of all training organisations who seek recognition, so that we don't impede the registration of organisations to try and in some way constrain the marketplace. All those who seek recognition and can demonstrate the capacity ought to be recognised. We also want to move to a self managed recognition system which has quality endorsement as an essential feature.



## Mutual Recognition (1)

**The ARF establishes:**

### Mutual Recognition of Outcomes

- **All RTOs must recognise and accept AQF qualifications and Statements of Attainment issued by another RTO**

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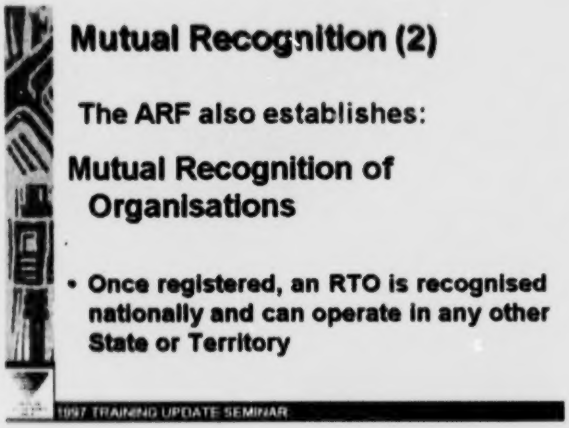
I want to emphasise the point in relation to mutual recognition. The Australian Recognition Framework is underpinned by the concept of mutual recognition and mutual recognition of outcomes. The mutual recognition of outcomes means that all registered training organisations must recognise and accept the Australian Qualification Framework Qualifications and Statements of Attainments issued by another Registered Training

Organisation wherever they are issued. That is a recognition that if you are a registered training organisation you must accept the Qualifications and Statements of Attainment of other registered training organisations, whether they've been issued in your State or Territory or elsewhere.



**Mutual Recognition (2)**

**The ARF also establishes:**

**Mutual Recognition of Organisations**

- **Once registered, an RTO is recognised nationally and can operate in any other State or Territory**

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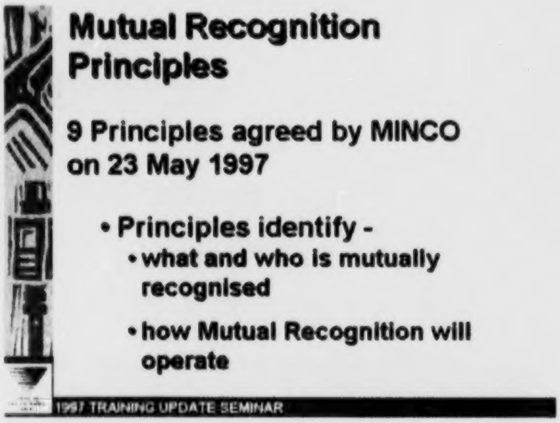
The next component under mutual recognition is the mutual recognition of organisations - which means that once registered a Registered Training Organisation is recognised nationally and can operate in any other State or Territory. That incorporates both public and private providers. It means that public providers in one State will be able to bid for, and undertake work in, other States as a Registered Training Organisation. And private providers from other States will be able to compete with public providers in their given State and elsewhere.

I think those two essential elements of the recognition of the outcomes and the recognition of the provider will substantially enhance the marketplace operation of training provision in this country.



**Mutual Recognition Principles**

**9 Principles agreed by MINCO on 23 May 1997**

- **Principles identify -**
  - **what and who is mutually recognised**
  - **how Mutual Recognition will operate**

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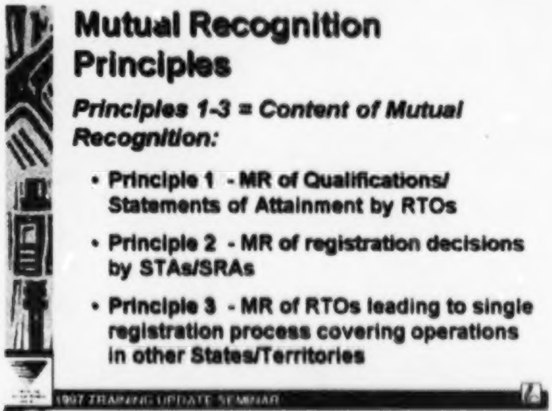
Now, clearly those mutual recognition elements of both recognition of outcomes and recognition of providers are challenges for many within the existing State based arrangements. It is for that reason that the Ministerial meeting in May of Commonwealth and State Ministers agreed on nine critical principles for the establishment of Mutual Recognition.

The principles identify what and who is mutually recognised and how mutual recognition will operate. I don't intend to go through each of those nine principles today - they will be available in the text that supports the package of detail that goes out from this session, and I am happy to respond to questions if people have them in relation to those nine principles. They are reasonably straightforward in terms of mutual recognition, but they are nine agreed principles on a national basis to ensure consistency of application. I emphasise the point of consistency of application as Stella did in her presentation.



**Mutual Recognition Principles**

***Principles 1-3 = Content of Mutual Recognition:***

- **Principle 1 - MR of Qualifications/ Statements of Attainment by RTOs**
- **Principle 2 - MR of registration decisions by STAs/SRAs**
- **Principle 3 - MR of RTOs leading to single registration process covering operations in other States/Territories**

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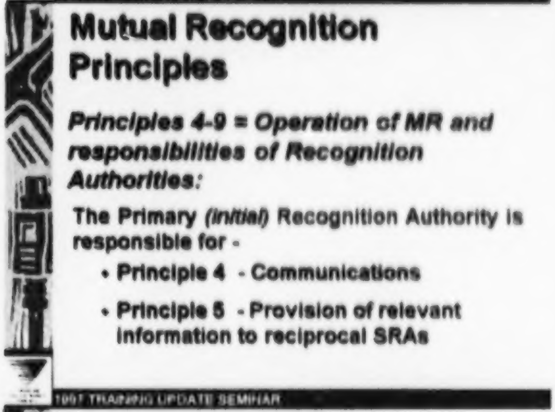

**Mutual Recognition Principles**

***Principles 4-9 = Operation of MR and responsibilities of Recognition Authorities:***

**The Primary *(initial)* Recognition Authority is responsible for -**

- **Principle 4 - Communications**
- **Principle 5 - Provision of relevant information to reciprocal SRAs**

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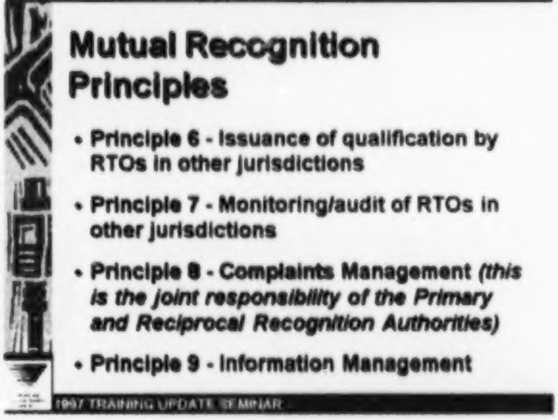

**Mutual Recognition Principles**

- **Principle 6 - Issuance of qualification by RTOs in other jurisdictions**
- **Principle 7 - Monitoring/audit of RTOs in other jurisdictions**
- **Principle 8 - Complaints Management *(this is the joint responsibility of the Primary and Reciprocal Recognition Authorities)***
- **Principle 9 - Information Management**

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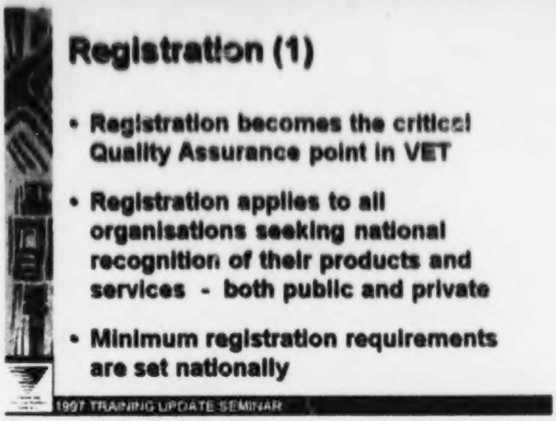
I'd like now to move to the registration components of the new arrangements. Registration, in our view, becomes the critical quality assurance point in the vocational education and training system.



**Registration (1)**

- Registration becomes the critical Quality Assurance point in VET
- Registration applies to all organisations seeking national recognition of their products and services - both public and private
- Minimum registration requirements are set nationally

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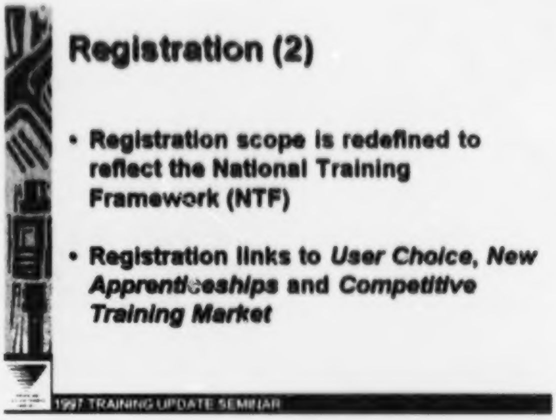
Registration applies to all organisations seeking national recognition of their products and services, both public and private providers, and the minimum registration requirements are set nationally. Hopefully this will ensure that there is a consistent application - that we don't have what is, at the present time, some pretty patchy recognition of different providers within a State and from State to State. That employers will have the confidence that a Registered Training Organisation meets the standards that have been set, and that they can recognise the outcome of a training provider from another State, even if they don't know that training provider intimately. I think it is important that we have a set of standards that employers can have confidence in and will ensure recognition across State borders.



**Registration (2)**

- Registration scope is redefined to reflect the National Training Framework (NTF)
- Registration links to *User Choice*, *New Apprenticeships* and *Competitive Training Market*

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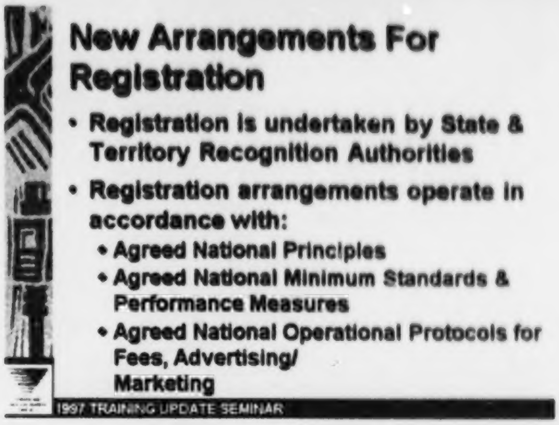
The registration scope of providers is to be redefined to reflect the National Training Framework and its critical elements. The registration will link it to User Choice, to New Apprenticeships and to the competitive training market. Each of those in our view are critical elements in relation to the reforms that we are seeking to achieve.



**New Arrangements For Registration**

- Registration is undertaken by State & Territory Recognition Authorities
- Registration arrangements operate in accordance with:
  - Agreed National Principles
  - Agreed National Minimum Standards & Performance Measures
  - Agreed National Operational Protocols for Fees, Advertising/ Marketing

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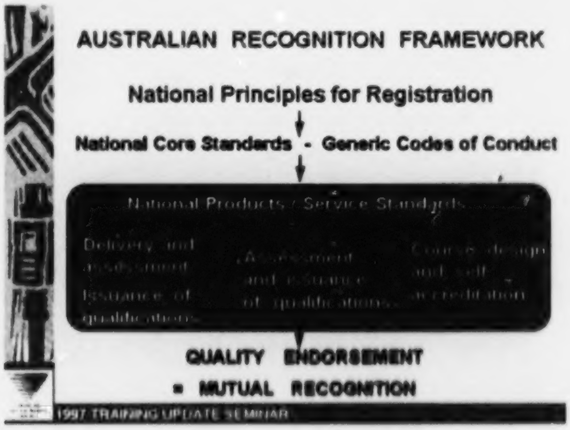
It is clear, and we all know, that vocational education and training in the federation in which we live and work is a responsibility of State and Territory governments. It's as a result of this that the new arrangements for registration will be undertaken by the State and Territory Recognition Authorities, but under those nationally established minimum requirements for registration.

The registration arrangements operate in accordance with agreed national principles - agreed by all Ministers, State and Federal - agreed national standards of performance measures and agreed national operational protocols for fees, for advertising and for marketing. We have tried to describe the National Training Framework graphically to try to pull all of those elements together.



**AUSTRALIAN RECOGNITION FRAMEWORK**

National Principles for Registration

National Core Standards - Generic Codes of Conduct

National Products / Service Standards

Delivery and assessment

Issuance of qualifications

Assessment and issuance of qualifications

Course design and self accreditation

QUALITY ENDORSEMENT

- MUTUAL RECOGNITION

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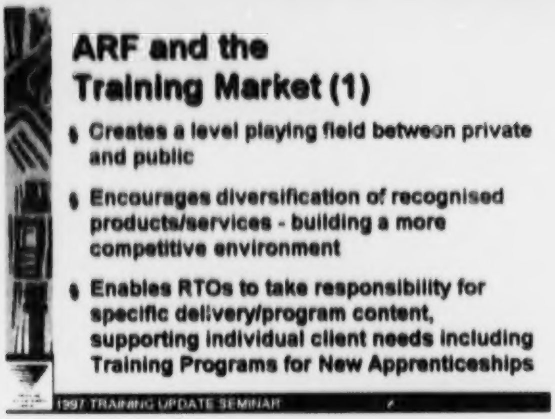
I don't propose to try to take you through this slide to link in all of the integral parts, but to reinforce the fact that it is based on national principles, it is based on national core industry recognised and approved standards and it delivers nationally recognised products. The important elements that underpin the whole of that framework, are the quality endorsement arrangements and the mutual recognition.

If we can't move away from the State based arrangements we have at the present time that fail to recognise the output of other State systems, that fail to recognise the output of other private providers, we will not go forward. We are Australians looking at a national vocational and education training framework and we ought to be big enough to accept that and be able to see it implemented.



## ARF and the Training Market (1)

- Creates a level playing field between private and public
- Encourages diversification of recognised products/services - building a more competitive environment
- Enables RTOs to take responsibility for specific delivery/program content, supporting individual client needs including Training Programs for New Apprenticeships

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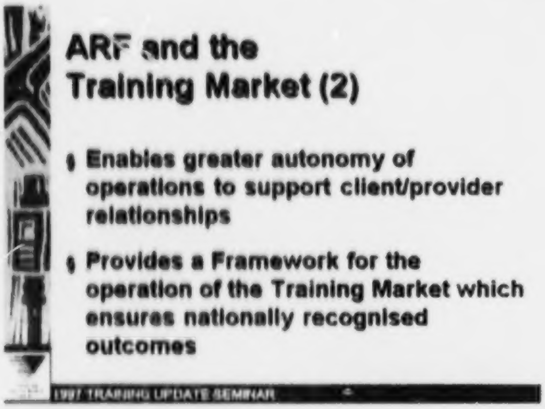
I want to turn now, before I conclude, to the Australian Recognition Framework and the training market. What we are doing by the creation of the Framework and the training market is to provide wherever possible a level playing field between private and public providers. Under existing arrangements there is no doubt there is a substantial skew in favour of the public provider. The reforms that we propose are not designed to undermine the viability and on-going nature of the public provider, but to ensure that there is a level playing field operating between the two; and let the principles of the marketplace ensure that the providers, be they public or private, deliver the needs of their client base, both employers and employees.

We also want to see an encouragement of diversification of the recognised products building a more competitive environment and building products that meet the needs of the enterprises and industry sectors, not building products that meet the needs of the training provider. And thirdly it enables Registered Training Organisations to take responsibility for specific delivery and program content, providing support to the individual client needs, including the training arrangements and training programs for New Apprentices.



## ARF and the Training Market (2)

- Enables greater autonomy of operations to support client/provider relationships
- Provides a Framework for the operation of the Training Market which ensures nationally recognised outcomes

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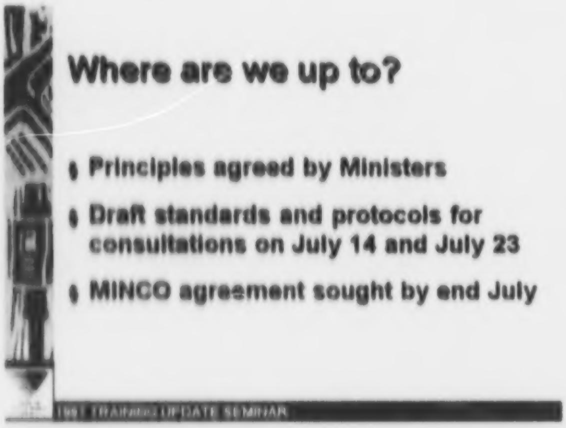
Also, looking at the Recognition Framework in the training market, it will provide for much greater autonomy of operations to support the client and provider relationships. All of us know too well the existing arrangements that occur in many places where the training is delivered at the time and the convenience of the provider, not at the time and convenience of the client of the provider - these reforms will hopefully see those situations change.

It also provides a framework for the operation of the training market which ensures nationally recognised outcomes.

Well, I've tried to paint a picture of where we are up to at the present time in terms of the new Training Framework, in terms of Training Packages and in terms of the new recognition and registration arrangements.



## Where are we up to?

- Principles agreed by Ministers
- Draft standards and protocols for consultations on July 14 and July 23
- MINCO agreement sought by end July

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Where do we go to from here? We have the principles that have already been agreed to by Ministers in the May meeting. We have draft standards and protocols being developed and they are being further considered in consultation with State and Territory authorities on both July 14 and July 23, and it is expected that we will have agreement from the MINCO Ministers by the end of July. Now, that's a tight time frame to bring the last essential elements of this process of reform together, but we all remain hopeful that those Ministers will keep the faith, will keep the pace and will agree on implementation of those changes.

Thank you very much ladies and gentlemen.

## PANEL QUESTIONS AND ANSWERS

**Panel Members:**

**Bill Mansfield, ANTA Deputy Chair**
**Stella Axarlis, ANTA Board Member and Chair ANTA Board Advisory Committee on New Apprenticeships**
**Mark Paterson, Chair, National Training Framework Committee**
**Terry Moran, Chief Executive Officer, ANTA**

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**Bill Mansfield:** The intention of the presentations was to give everybody here this morning an overview of the developments in regard to New Apprenticeships and the developments in regard to the Australian Recognition Framework and Training Packages.

**QUESTION** **John Shields, President of the Professional Hairdressers Association:** I represent hairdressing employers in NSW. My question is to Stella. I ask the audience's forgiveness in my naivety but precisely who is the client? If the client is the employee, then are you asking our industry to accept that 16 year old employees are going to have the experience to determine their User Choice, in other words their educational path?

**ANSWER** **Stella Axarlis:** I think when I described the system, I made it quite clear that there would have to be agreement between the employer, the employee and the training provider. I have never intimated getting a 16 year old to make a choice, but I know 16 year olds who could make a very good choice once they are given the relevant information. I beg to differ, I have much greater belief in the youth of today than some of you.

But, at the end of the day, there are three people involved - the provider, the employer, the employee or in the case of Group Training schemes, the Group Training company and I think we all have to be part of that agreement and we all have to have input. Youth, women returning to the workforce, people with a disability, who require and know what they want, and also the employer who must take up the challenge. We are all involved. The client has many faces. I have never believed that the education system is only for the child - the parents are involved, employers must get involved, industry must get involved.

**Bill Mansfield:** I think that what Stella is saying is that there is confidence that young people can make a decision. It is probably worthwhile noting that they have no choice at the moment.

**QUESTION** **Julie Buxton, Options Community Training:** This question is possibly to Stella. As a recognised provider of training, providing accredited training courses, will we, with the new reform coming in January, need to have external quality endorsement, for example from the Australian Quality Council, or will it be an internal process?

**ANSWER** **Stella Axarlis:** Well, it is really the audit and the quality mechanisms. I would have to refrain from being part of this process - everyone knows how biased I am towards the Australian Quality Council. I really think this comes under the Australian Recognition Framework and perhaps Mark can add to it. We are currently in the process of implementing these changes as far as accreditation and audit is concerned, but I think Mark has a lot more to say.

**Mark Paterson:** If I could comment on that area. The draft standards and protocols that I referred to in the last slide are the things that need to be signed off by State and Territory Recognition Authorities, because it is the State and Territory Authorities that will register the training providers. That remains their constitutional right, and they have asserted the protection of that constitutional right. What we are trying to do is to ensure that there are consistent standards applied, but it will not require independent quality assurance from an external agency. The standards and protocols that have been developed will ensure that you, as a training provider, will be able to demonstrate your capacity to meet the quality assurance arrangements and there will be an ongoing self- assessment process. So it is not intended that you need to go and get ISO 9001 or some other external quality accreditation requirements.

**QUESTION** **Julie Buxton:** Could I just ask then. Will we have to go through a resubmission process for our recognition?

**ANSWER** **Mark Paterson:** The recognition arrangements are for the provision of training under the new Training Packages and the new Training Framework, so as new Training Packages are being developed, organisations will need to seek registration for the delivery of all, or components, of those new Training Packages. It is not intended that everyone who is presently registered to deliver programs at the present time will need to seek reregistration for the delivery of those existing programs. It is a registration set of arrangements for people who are seeking recognition for the delivery of the new Training Packages.

**Stella Axarlis:** Yes. I'd like to make a comment regarding the worry about ISO accreditation. ISO really has the capacity to be able to implement in your organisations a set of principles and procedures to assure quality. Let me say this as a client, I tend to take this as the minimum requirement when I am assessing suppliers. The training market will be faced as a training supplier and I don't think you should fear that process, I think you should espouse it. It may not be a requirement, but I think it is a very positive decision you have to make, and it has to be your organisation's business decision whether it is introduced into your organisation. I know I will judge you as having that as a minimum requirement and then I will make the choice, according to how you communicate with me and what you have to provide. But that's just Stella Axarlis, Bilcon Engineering, not ANTA.

**QUESTION** **Kerry Lee Mitchell, Hunter Institute of Technology:** My question is to Stella. In your presentation, you actually mentioned that customisation over and above that which is publicly funded can be purchased by the client. I'd like to hear more on your definition of where that 'over and above' for customisation begins.

**ANSWER** **Stella Axarlis:** For example, if I wished to buy a Training Package but during that Training Package I see the possibilities of going into new technology, I can negotiate to continue in that process. But this is a customisation that I cannot expect to be publicly funded and I, as an employer, must make that choice.

**Mark Paterson:** I would like to add a comment if I could. There is an understandable concern by all State and Federal Governments about the potential for cost transfers and cost shifts as we move to the new arrangements. If there was the capacity for people to go in and have National Training Packages, and then substantially customise them to meet the individual business needs, there is a concern by States and Territories and the Federal

Government that if that was allowed on the public purse, there would be a substantial transfer of employer funded, employer specific training to the public purse.

The intention is to try to ensure that we have the public provision of support for the nationally endorsed Packages, and if individual businesses want to customise those arrangements to meet their particular needs, then it is reasonably a cost that ought to be borne by them in customisation.

**Terry Moran:** The intention is that individual States and Territories will set unit costs for particular courses against Training Packages and it is those unit costs, set by States and Territories that really define the limits of what an employer or a Group Training Company can obtain through negotiation from a provider. So say, for example, in New South Wales - and this is a totally hypothetical figure - the NSW Authority said that the amount of money available in a year for the off-the-job training for an engineering apprentice was $4000, and that's against the Training Package, the ability of an employer or Group Training company to get changes in delivery, customisation, whatever, from TAFE or other providers is restricted by what that $4000 would buy from TAFE, or those other private providers.

**QUESTION John Redgrove, Executive Director, Tasmanian Tourism Industry Training Board:** I'd like to preface my question by just a couple of observations. First of all there is an awful lot of time, effort and resources that has been put into redeveloping and establishing these new training arrangements and I fully support those training arrangements. Stella in her presentation noted the emphasis and focus should be placed on providing timely and accurate advice and information to our clients. One of the roles of the Industry Training Board is to provide that advice, and it was set up some years ago to provide a conduit between industry and training providers. My question is: what allocation in resources has been allowed for the promotion and implementation of the new training arrangements, given also that the Industry Training Board's resources have been cut?

**ANSWER Bill Mansfield:** Perhaps I should allocate that question to the man who signs the cheques - Mr Moran and then we'll take it from there - Terry.

**Terry Moran:** Firstly at a national level there is a substantial amount of money available to Industry Training Advisory Boards to market Training Packages to industry and to the providers. And a lot of work has been done to establish for those ITABS a very good marketing manual to help them to do it with 101, perhaps 201, ideas as to how they can market to both the providers and to industry. At a State and Territory level, States and Territories have to figure out the unit cost of delivery for the courses that will be dependent upon those Training Packages and from the national perspective, that's an all up cost issue. We don't seek to intrude into operational matters at a State level, where they consider how many resources should go to, for example, people who support apprentices on-the-job, as opposed to the resources which go to those who train apprentices off-the-job in TAFE Institutes or other private providers. So there are many dimensions to the implementation issue that you mention, but at a national level, we think we have sorted out most of the implementation issues and in fact ITABs at a national level are not suffering a great diminution in their basic resources.

**QUESTION Graham Saville, Manager, Western Region Training Group, Melbourne:** My question is directed to Mark Paterson, regarding a level playing field. Our particular company set up a retail skills centre at Highpoint in Melbourne and have for three years run a dual recognition program in secondary schools. Just recently when renegotiating the course that we are running for about $4, a public institute offered to take over the program for $1 per training hour. Now anybody would know that $1 per training hour is only to get into the field and obviously they are using untied grants. Could somebody tell me how they are going to police that private providers get a fair deal in this sort of market?

**ANSWER Mark Paterson:** Graham, that is one of the reasons that I said the status quo is not an option. There are clearly deficiencies in the operation of the existing system. What we are striving for is to move to something that is transparently open. The unit costs process that Terry described a little earlier is to identify the unit costs in relation to delivery of the new national Training Packages and those unit costs will prevail whether it is undertaken by a public provider or a private provider. That's one of the certainties of moving to the new arrangement. There will be consistently applied unit costs and they will be transparent. You will be able to see the costs that are paid to the public provider and the private provider. And if public providers are trying to transfer resources made available for other activities, to underpin their work in this area, it will show up very, very quickly.

**Terry Moran:** Could I add to that? Over the last few years, we have seen a lot more integrity in information within vocational education and training. So, for example, in 1994 in some States there was reported a level of activity which has since had to be discounted by as much as 40 percent. There were vast numbers of contact hours allegedly being delivered in quite a number of States, by TAFE in particular, that were not in fact being delivered - they were phantom contact hours. And that led to a great deal of confusion about not only what was being delivered but how much it would cost. And you can't have integrity in the sort of system we are talking about unless there is integrity in the numbers. The good news is that the States and Territories, in respect of the figures for 1996, seem to be just about there, in terms of getting the numbers right. And once they get the numbers right, from an activity point of view and also from a financial point of view, then you can have a serious talk about how much it is costing to deliver things - not only those things affected by User Choice, but everything. And you can avoid the bizarre distortions that are being referred to in the question.

**QUESTION Margaret Milne, BHP Transport, Melbourne:** Stella mentioned this earlier in her presentation, but it is really a question for anyone who cares to answer it. It is just in relation to the partnership between employer, employee and the training provider. I was just wondering, in terms of the new reforms that are taking place, what consultation has there been with the various union representatives within the various industry sectors, say the ITABs or the ACTU? Is there any set view on that?

**ANSWER Stella Axarlis:** I think we all can have an answer to this question. I would say that probably one of the most informative and one of the greatest brains that I had - and I don't wish to be impolite to other members of the Advisory Committee - was Julius Rowe, who represented the Australian Manufacturing Workers Union, and he has had enormous input and enormous consultation with unions. I think we were extremely focused on having the widest possible representation on accessing all businesses, small, medium and large. I have personally spoken to thousands of people around Australia regarding this process. Recently, I spoke to 1,500 small business people in the Housing Industry Association. I think the consultation process has been wide, far reaching and while you cannot reach everyone, I think every effort has been made to have a consultative process.

**Bill Mansfield:** Can I just add to that. I work for the Australian Council of Trade Unions, I am the deputy chair of ANTA and I am actively involved in the ANTA Board considerations of these matters. I don't know of any ITAB that doesn't have union representation on it. On the National Training Framework Committee we have representation through Julius Rowe. On the ANTA Advisory Committee on New Apprenticeship which Stella chairs, we have representation there. So there is an active involvement of the union movement in all of the processes leading up to the reform program for vocational education and training. The ACTU also operates a reasonably active Training Committee and the developments in this area have been reported back on a regular basis to the Training Committee. There are some areas where the unions have concerns about the training reform, but they have been articulated quite well within the bodies that are making up the process, and we are certainly very supportive of the general direction of the reform process.

**Mark Paterson:** If I could add to that, I think that when the Ministerial Council met in November of last year, it recognised that the sorts of reforms that were being talked about were fundamental, they were far reaching and they would have a dramatic impact on employers, on people working within enterprises and on State Training Agencies and on private providers. They requested ANTA to prepare a concise overview of all of the proposed changes that could then be used as a document for consultation throughout the States and Territories - consultation undertaken by the individual State Training Authorities in those States and Territories. So in addition to the consultation processes that Stella and Bill have talked about, the State Training Agencies also took a responsibility for ensuring that they consulted widely with their constituents throughout the country, before they came back to the main Ministerial meeting. That's the reason that I think the Ministers were comfortable in providing support for the direction of the reforms that were being undertaken, because they had undertaken that wide consultation within States and Territories.

I don't think you will find any other reform in public policy in this nation, at any time, anywhere, that has had the level of consultation that these sorts of changes have seen.

**Stella Axarlis:** As a matter of fact, I was once accused by a member of the Committee that I was acting as a unionist, not representing employers. And I think that when that statement comes I feel very happy because if there weren't any unions, I would invent them for some employers.

**Bill Mansfield:** We need more employers like that!

**QUESTION Jennifer Silver, Managing Director, GTA Human Resources Limited, Gold Coast, Queensland:** I have two very short questions if you will give me grace to ask them. Can an employee and an employer elect that the employee access their training out of their normal working hours, and if so, are they paid while they are being trained, their normal working wage?

**ANSWER Bill Mansfield:** Well, as we know, at the moment wages for apprentices and trainees are specified in awards and agreements. They take account of the fact that training time is currently by and large on-the-job. If you took a traineeship, for example, the wage is quite expressly discounted for the training time which would otherwise be working time and normally discounted by around 20 percent - the one day a week that a trainee spends in training. If the trainee spends that time on-the-job in productive work, the whole rationale for the discount goes out the window and you would then say on the face of it that the full week's wage ought to be paid. And I think the same argument would apply for apprentices as well. So if there was a decision by the employer and the trainee to have all of the training time done out of normal weekly hours, I think you would see quite clear arguments for adjustment of the wage to bring it up to a normal weekly wage and not the discount that currently applies.

**QUESTION Jennifer Silver:** Can I suggest that needs some thought given that an apprentice or trainee is also not at the skill level of a normal employee therefore that's why the wage is discounted.

**ANSWER Bill Mansfield:** This is not the place to argue the point, but at the moment, the wage is already discounted. It is well below the rate for the job of what we would call a competent worker on an hourly basis and it would have to be adjusted to take account of the greater number of productive time. You wouldn't be getting the fully weekly wage of a fully productive competent worker, so there would be a discount, but not a discount to take account of training time which is quite clearly in there at the moment.

**QUESTION Jennifer Silver:** Thank you very much. And the second question is - Can an employer, if they are also an approved training organisation, elect to deliver their training to their own employees, providing their employee agrees - including Group Training companies?

**ANSWER Bill Mansfield:** Well, my answer to that is yes, providing the employer is a Registered Training Organisation.

**QUESTION Alan Ireland, TAFE, South Western Sydney Institute:** Under customisation and User Choice, currently we have a large number of employers who run customised packages totally at their own expense, that didn't previously meet the National Training Framework, and their only recompense was the taxation system. Do you see now under customised training, if they re-jig and re-engineer their courses that they can, in fact, under the level playing field, move these to training supported by the public purse and, if they can, how is this going to affect the cost of increasing the total number of people in Australia that should undertake training to make us world competitive?

**ANSWER Bill Mansfield:** I'm going to hand this question over to Mark Paterson. There are restrictions on access to public funding of training for existing employees which will inhibit quite clearly the ability of employers to have the public purse pay for training that they would otherwise pay for themselves. Mark might want to take that up.

**Mark Paterson:** I don't want to repeat the comments that Terry made earlier in relation to unit costing and the new Training Packages. One of the impediments of the existing arrangements is that we've publicly provided vocational education and training in a reasonably narrow range of industries and we've excluded, by the Declaration of Vocations, the provision of publicly funded vocational education and training in new or emerging industries. What we are trying to do is to ensure that there is some greater balance between what is provided. The recognition of the national Training Packages will ensure that there is a consistent application and a degree of equity between industry groupings and industry sectors, and particularly recognising the development of new industries as part of that process.

I think that there will undoubtedly be some challenges where some employers in some industries are presently providing training totally at their cost, because they are excluded by arrangements of Declaration of Vocations from getting any access to publicly funded vocational education and training. If we look at the overall numbers, and I don't pretend to be an expert on this, and Terry may well pick me up on some of the detail, but as I understand the arrangements, about five years ago, 25 percent of the national vocational education and training budget was spent on contracted training underpinning traineeships and apprenticeships. Over the last five years we have seen that fall from 25 percent to about 20 percent.

A recent consultant's report that examined the capacity of growth in this area suggested that we could see that 20 percent grow to between 35 and 40 percent before the year 2000. As part of that growth you will see a re-allocation of dollars that are currently expended by the public system on non-accredited, non-structured vocational education and training arrangements into the new Training Packages. So, in our view, there is substantial capacity within the existing resources of the currently funded public provider to substantially shift away from the current level of traineeships and apprenticeships, without disturbing the total dollars that are available.

**Terry Moran:** I agree with what Mark has said. I think the other point to stress is the one that Bill Mansfield gave in introducing Mark, and that is that Ministers have made some very clear decisions about what will be paid for publicly. And basically the entitlement to a publicly funded off-the-job training experience if you are an apprentice or trainee, is really there for young people making the transition from school into work. Although States and Territories can themselves choose to make that experience available for other people - a number of States have indicated that they will, and one of those is in fact, I think, New South Wales. The other point I'd make however is we need a bit more precision in terms such as customisation.

We are trying to use the word customisation in terms of competency standards, and those rules are still being worked over. But they don't allow a vast amount of latitude for a firm that wants to take a national Training Package and sort of bend it from a national competency standards point of view to its own circumstances.

That needs to be distinguished from flexible delivery, which is really how the educational provider reacts to the needs of the industry or the firm. It is in flexible delivery that we had hoped to see the biggest changes. This goes back in a sense to one aspect of the question asked earlier by Jennifer Silver which is, although from another perspective, can the off-the-job training be delivered out of normal hours - yes. On site - yes. In unique and interesting ways - yes. These are the sorts of things that employers, Group Training Companies and the individuals - apprentices and trainees in partnership with them - are supposed to be able to negotiate with the providers in the future.

Now, all of those things taken together should mean that if there are large firms currently running, from their own resources, apprenticeship or traineeship type programs for young people that they are recruiting, they would find it very difficult to tap into this system just by getting their own training program rebadged. And, by the way, I haven't found any firms that are doing that anyway. But if there were, it is not just an easy thing for them to suddenly start pulling in a range of subsidies, including payments for the delivery of off-the-job through TAFE or other providers.

**QUESTION** Question for Mark Paterson. I have heard a lot this morning about time and convenience in flexibility delivery approaches to training. My question is directly: How do you control and regulate compliance with that? Where do you look at the options of employers not releasing employees to training, who regulates that compliance and what are the penalties if it doesn't happen?

**ANSWER** **Mark Paterson:** The system that we envisage is based on, as I indicated, national competency standards and one of the endorsed components of the Training Package is the Assessment Guidelines. The advantage of this system with moving away from curriculum to Training Packages that are based on national competency standards and assessment in relation to a competence, is that it is demonstration of achievement of a competence which is the basis of assessment, not whether the person turns up to class - not whether they have put in a given number of hours or served a given time. What we are trying to do is to move away from a position of time served, into a recognition of an assessment of the competence that is demonstrated by the individual. And the person will not be able to complete the training program or the Training Package that has been developed, unless they can demonstrate that competence.

**Bill Mansfield:** I think also that entering into a Training Agreement at the commencement of the training course will put an obligation on an employer, in regard to a variety of matters, including allowing the individual trainee to undertake the training that is required to acquire the competence.

**QUESTION** My question was more directed along the idea of who regulates that compliance?

**ANSWER** **Mark Paterson:** The State Authorities have the responsibility for registering the training organisations and the registration may well encompass delivery of the program or the assessment or both. If they are registered because they have demonstrated their capacity to undertake the assessments which are part of the national Training Package, then the quality assurance and audit mechanisms, that are being finalised over the next months, will ensure that a Registered Training Organisation, with the capacity to demonstrate that it can undertake the assessment, carries with it the responsibility of ensuring that the assessment is undertaken. Now, it may not necessarily be the on-the-job provider of the training who undertakes that assessment - it may be, depending on the registration that they obtain. But there is a consistency in quality of ensuring that qualified assessors are the people who are making the assessment about that demonstration of competence, whether it is flexibly delivered at the workplace or through some other mechanism.

**Terry Moran:** Could I add to what Mark has said. What Ministers have agreed is that there are really three points of regulation in all States but New South Wales - there will be four points of regulation in New South Wales for apprenticeships and traineeships. They are the national Training Package itself - and the endorsement of parts of the national Training Package - the Training Agreement between the employer and the apprentice or trainee - which is the responsibility of the State and Territory Authorities and the agreement which actually has to be logged with them - and then, finally, the recognition of the provider of off-the-job training - which is encompassed by the Australian Recognition Framework, in a way which leaves the decisions with the States and Territories. In addition to those three points of regulation for apprenticeships and traineeships, New South Wales will retain Declarations of Vocations and, therefore, most of the regulations remain at the State and Territory level, but a lot of what was there previously has disappeared.

**QUESTION** **Kerry Ferguson, Box Hill Institute of TAFE:** My concern is about information that we are getting that is so mixed. I manage a centre, I want to take my people through these changes successfully. I don't want them to fear this change. We are getting so many mixed messages about the impact on TAFE. Whether I'm going to have teachers in the classroom next year - whether I'm not going to have teachers in the classroom. How much control employers have - what they don't have. When are we going to get the nuts and bolts please? I'll just give you an example of some of the things we have heard, and they are mixed messages, and we are going to as many things as we can, to find out as much information as we can. For example, we were told employers will control the training, they'll say what they want to do. But will employers have to have work place assessors on the floor? Will they have to be registered providers? And we have heard no, and we have heard yes. We really need to know where we are going so we can move there successfully.

**ANSWER** **Terry Moran:** In terms of employers getting what they want, there are constraints. It is up to State and Territory Authorities to inform people in their States, most particularly industry and the providers, about User Choice and how it will work and that was another one of the decisions taken on the 23 May. The money will go out shortly and I expect that the Office of Training and Further Education in Victoria will be spending it to make sure that you understand precisely what the rules are and how it is supposed to operate.

Thirdly, as I said before, ANTA itself will be giving quite a lot of money to national ITABS to market the Training Packages. If there is a new Training Package in hairdressing, we would expect the relevant ITAB to put an immense amount of effort into making sure that you, at the provider level, understood what was in the Training Package and how it might be used, as well as ensuring that firms in your industry also were familiar with the Training Package and how it might be used. So, in terms of understanding the new arrangements, the critical things are to come to terms with Training Packages and what they will mean, and the new freedoms that they will provide to the providers, as well as to the firms and, secondly, to understand the operations of User Choice. There is quite a lot of public money going into getting the message out in both of those areas over the next six months.

**QUESTION** **Kerry Ferguson:** We don't have Training Packages as yet and as far as I know, there hasn't been any money granted to the hairdressing industry to develop those Training Packages as yet. So what do we do in the interim?

**ANSWER** **Terry Moran:** Go on with the existing programs and courses and at Box Hill of course, in hairdressing they're terrific. So you roll on with that. You embraced competency based training years ago. You embraced flexible delivery of those courses years ago. It is international best practice in this particular area and this is not intended to disrupt that.

**Bill Mansfield:** Can I say: As you can see, I know all about the hairdressing competency standards. I think the point that is coming across here is that certainly there is going to be a change introduced as at January 1 next year in regard to the training market, greater ability of employers to start negotiating, along with employees, with providers as to the training that they want and how they want it delivered. But the point that is being made about Training Packages illustrates that it is not going to be a massive change over night. This is going to be a process of transition which is probably going to take one or two years to fully work through. And it is not going to be all lumped on to the TAFEs and other providers overnight. There is going to be an opportunity with the development of Training Packages progressively to make the adjustments that are required. Having said that, this forum today, is one of the processes that ANTA is trying to use to communicate the changed environment for vocational education and training. It is limited in the sense that we can never get all the answers to all of our questions in one day.

What I would encourage people here today to do, if you have those specific questions that are coming from Box Hill TAFE, for example, and I don't want to make Terry Moran go white, but put them down on a fax, send them to ANTA and we will answer them for you.

**QUESTION** **Paul Common, Executive Officer, New South Wales Primary Industries ITAB:** I would like to direct this question to Mark Paterson. Much of the rhetoric of the past and current initiatives makes reference to industry led arrangements. How can this proposition sit alongside recent suggestions by the National Training Framework Committee that industry based assessment systems may not be supported within the endorsed components of Training Packages? And what limitations, if any, will be imposed on Industry Endorsed National Workplace Assessment Systems?

**ANSWER** **Mark Paterson:** I would probably want some further detail on the assertion that is made by what the Committee said. What I tried to identify in terms of the Training Packages is that there are nationally recognised industry supported competency standards and Assessment Arrangements and Assessment Guidelines that are developed as part of that national Training Package. That does not suggest that there are not industry based assessment arrangements because there unquestionably will be in some packages if they are supported. What it doesn't mean is that we want to put in place a different set of regulators. So rather than having a group of people within State Training Authorities regulating outcomes, we say we have the national Training Package with the Assessment Guidelines and the like, as part of that package, and endorsed on a national basis and then have industry sectoral groups say, and in addition to that, we want you to jump this hurdle as part of the formal system.

Industry sectors and individual providers may want to put in place additional hurdles. But they are not envisaged by us as being an essential part of the new system. We want to move away from the gatekeeper role that some people play in relation to Training Packages and assessment on those packages, but ensure that there are acceptable guidelines and assessment arrangements that have the support of the industry. So I don't know where the question comes from Paul, in terms of us saying the National Training Framework Committee wouldn't support industry based arrangements.

**QUESTION** **Paul Common:** If I could respond to that, I think it came in response to aspects of the Agriculture Training Package Standards that included requirements of State ITABS and or industry associations to endorse assessors who were to be assessing in their industry. And my understanding was that response from the National Training Framework Committee was that such requirements as elements of standards was not likely to be supported.

**ANSWER** **Bill Mansfield:** I think in terms of the specifics of your industry, it would be best if you took those up with the National Training Framework Committee through

Mark or Peter Noonan. The general answer to your question is that there will be industry based assessment arrangements, but they will conform to a quality system which is being recommended by ANTA.

**Mark Paterson:** I would make the point that the Agricultural Training Package hasn't been before the Committee, so it is unlikely that the Committee has even been in a position to consider that issue - in the specific question that you raised.

**QUESTION Wendy Jones, Tourism and Training in the Northern Territory:** The concept of thin markets and User Choice is something vital to areas such as the Northern Territory. I would be interested in some comments from the panel on implementation of User Choice on thin markets.

**ANSWER Terry Moran:** This is obviously a concern in the Northern Territory, Tasmania, parts of New South Wales and regional Australia generally. What the Ministers decided is that each State and Territory can define those areas which, because of disperse population, limited population or other difficulties, shouldn't at this stage operate under the User Choice arrangements. But in doing that, they then have to report annually those decisions to exempt from the operation of User Choice, particular areas, or in some circumstances, occupational groups. So, User Choice is therefore not always going to be an issue in all parts of Australia. But it would most certainly be, location wise, an issue in most of the major population centres - in fact in all the major population centres in Australia.

**QUESTION Wendy Jones:** Just quickly responding to that. That is one of the mixed messages coming through to us. We are being told that User Choice is coming in, it is happening and it is very important that we do get accurate information out to our regional areas, so that people don't believe that User Choice is going to be their God given right on 1 January, because that is already something people are starting to believe. It may happen and work in big population centres, I agree with you entirely, but we have to be clear that we get the right message out to all the punters.

**ANSWER Terry Moran:** I'm reasonably confident that will happen because of the initiative that I mentioned earlier, agreed by Ministers on 23 May to put quite a lot of money with State and Territory Authorities to get the message out to all those who are interested in User Choice.

**QUESTION Des Caulfield, National Mining Industry Training Advisory Body:** A question for Mark. Mark, if you were to front up to a number of employers in the morning, a central feature of the package is the Qualification Framework. If you were to sell the benefits of that to an organisation who would see this as perhaps a way of getting extra money for the workers, etc, how would you convince them that it was in their best interests to have an accepted qualification for those people who do not have a qualification within their organisations?

**ANSWER Mark Paterson:** I think that we have to recognise that the linkage with the Qualifications Framework is part of the linkage of structured entry level training arrangements. And that we are not trying to say that all people within the workforce who don't presently have a qualification, should get a qualification and rates of pay outcomes will necessarily follow from that. What we are trying to do is develop a system, as Bill indicated earlier, which is focused on the transition from school to work and to try and introduce across a range of industry sectors, structured entry level training arrangements, which means that the people entering that workforce are better prepared, better able and better capable to operate within that working environment. It's clear from across all industry sectors, including the mining industry, that there is a greater demand on the level of skill of people entering the industry and we would expect that companies within the mining industry, as in a range of other areas, would want to take on structured entry level training arrangements if they meet their needs. If it doesn't meet their needs, they are unlikely to endorse national competency standards and develop national Training Packages. But if they can see a benefit in the development of entry level training arrangements on a structured basis, see the development of traineeships or apprenticeships in their industry, and engage those people, then the linkage to the Qualifications Framework and any rate of pay outcome, I would suggest, is probably the least of their worries. And the importance of the linkage with the Qualifications Framework is that it demonstrates a consistent level of attainment and achievement between industry sectors.

So if somebody in the mining industry decided to pursue a career in some other industry sector, they would at least be able to demonstrate competence achieved on a national basis, against a given set of standards and achieving a qualification at an understandable level, rather than a hotch potch of Certificates or Diplomas that may exist that don't have any consistent framework of application. So I think that there is a substantial number of benefits and clearly the industrial relations implications are one of the issues of concern that we have had to work through throughout this process. That's one of the reasons we have moved away from the old Australian Standards Framework to a Qualifications Framework that is not linked back to classifications.

**Bill Mansfield:** Can I just add to that by saying from a trade union standpoint, we have consistently not supported the linkage argument. The argument that a person who gets say an AQF3 Qualification in one industry or occupation should get the same amount of money as a person with an AQF3 in another industry or occupation - we don't support that argument.

However there is obviously some level of comparability that it is not a direct equivalent. The argument that we would put generally in relation to vocational training and skill development and wages is that where the acquisition of competency and qualifications leads to the employee having a higher value to the employer, a case exists for higher wages. Now, I don't think anyone would argue with that proposition. The key issue is that it has led to higher value to the employer as well as give the employee higher skills, better competencies and possibly, qualifications as well.

**Stella Axarlis:** Bill, could I add something to that? How do we encourage employers? Let me say this. The employers who do not really get on the band wagon start killing their workforce and will not be employers in the future. And I am reminded of when Gorbachev stood on the Berlin Wall and was asked what did he think of the Wall? He made the remark, and at the time noone could have foreseen the changes in Europe, "Those who do not espouse change will be steamrolled by change" and unfortunately employers who do not understand the importance of skilling their workforce for a global economy will not be there tomorrow.

**QUESTION John Versluis, Executive Director Forest Industry Training and Education Consortium:** My question is to Mark Paterson. At the recent ACPET Conference just a few weeks ago here in Sydney, you indicated that training that did not fall within the national Training Packages and by implication, industry competency standards, could still be recognised under a parallel recognition system. Could you explain that parallel system now?

**ANSWER** **Mark Paterson:** The parallel system is the existing arrangement. There are Training Packages that have been recognised by State Training Authorities for a very long time and are delivered in the market place. Those State Training Authorities have retained their right, and their constitutional right, to recognise Training Packages. What we are talking about is the development of a new national system based on industry supported nationally recognised Training Packages. That doesn't mean that all existing arrangements are automatically displaced. It does mean that there is a new system being put in place for newly developed Training Packages and States will retain the right to recognise the delivery of packages that meet whatever criteria they establish for those packages. So it's a retention of the existing system, not a displacement of the existing recognition arrangements.

**QUESTION** **John Versluis:** That's in conflict with your comments earlier that we are not just going to add another level of bureaucracy in terms of the training. Now we're going to have a National Training Package system which is running in parallel with the existing curriculum training system.

**ANSWER** **Mark Paterson:** The options are that we sit on our hands and wait until we have got national Training Packages up for all industry sectors, some of which are in the development process and will be out of date by the time they're implemented. Or we gradually implement a process that tries to meet the needs of new and emerging industry sectors that are prepared to commit to those Training Packages without displacing the existing arrangements. Now, in any period of transition of change there will obviously be two parallel systems operating for a period of time. But it's not a system that is focused on the regulation side of it. It's a system focussed on trying to develop Training Packages that meet the needs of industry, that are nationally recognised and nationally portable. The options are that we roll over the existing system, and at the ACPET Conference there were people who had invested substantial amounts of money in the development of existing Training Packages, who were petrified we were going to steamroller those out of existence from 1 January.

What we are trying to do is to be flexible as we move forward, without displacing the existing arrangements where there is no national Package to displace.

**QUESTION** **John Versluis:** What my question was related to is the fact that once we get Training Packages up, that's the only system of recognition. And the question was related to that training that does not fall within the Training Packages system, even in three years time when the transitional arrangements have been completed.

**ANSWER** **Terry Moran:** Could I add to what Mark has said in response to John's question. About 20 percent of the national effort is in general education, for example, publicly funded vocational education and training general education. Now, I don't know what the views of people interested in that area would be as to whether Training Packages need to be developed to cover what is done through general education . If they're not, you then fall back on the existing systems to perhaps accredit courses, or otherwise deal with courses, that providers will operate. So I don't think that we've ever argued that 100 percent of publicly funded and privately funded activities within vocational education and training, could or should be, in every detail, embraced by a full suite of Training Packages.

**QUESTION** **Tony Palladino, National Utilities ITAB Electro-technology:** My question is probably addressed to the whole panel. The question of User Choice, will it be funded on a voucher system, that is, will a voucher system be the management process? And secondly - the unit cost issue. What's the definition of a unit? I'm still very unclear what a unit is.

**ANSWER Terry Moran:** We don't use the word 'vouchers' because vouchers in the sort of debates about education have a different purpose and are used in a different way. Traditionally, vouchers are something deposited on an individual with a face value and they can then take that with them, when they talk to a range of educational providers and make their choice as to what providers, and what course they will do.

User Choice is really a means of giving more authority to employers or Group Training Companies acting in concert with their apprentices and trainees - it's a group thing rather than an individual thing. Unit cost is a reference to the cost of delivering the off-the-job training in a given year. At the moment, the system works on the basis of counting contact hours. We are reaching the end of a major process involving the States and Territories, or in fact business people from State and Territory Training Authorities, and some State officials which is looking at whether we shouldn't count things differently in vocational education and training. Were we to move from contact hours to something else, then whatever that is it would be the unit to which dollars were attached under a unit cost approach.

**QUESTION** Just a quick question. In terms of enterprise competency standards there were models in the past where enterprises could develop competency standards that would then be recognised nationally. I understand some have done this. Will those enterprise developed competency standards be able to be incorporated in the new system?

**ANSWER Mark Paterson:** Absolutely and there are Training Packages which we would expect to be nationally recognised, if they meet the same tests as the other Training Packages based on those enterprise competency standards. So their enterprise standards could underpin nationally recognised enterprise Training Packages. In many cases, we have seen the enterprise competency standards that have been developed by individual enterprises modified, customised and adopted as the industry standards. So I think you will see a mixture of both, but there is certainly the capacity within the system for enterprise competency standards to lead to nationally recognised Training Packages.

**QUESTION** You may be aware that the last Commonwealth Government spent $20 million trialing the Key Competencies in the school and vocational education and training sector. Given that none of the findings of that research have been incorporated into the current Training Package initiatives, how does ANTA intend to promote generic skills development, considering that little meaning can be expected to result from producing a matrix that maps the Key Competencies against units of competency which is the current requirement?

**ANSWER Bill Mansfield:** Terry might like to start on that but I can assure you that Key Competencies have not gone off the agenda so far as ANTA is concerned. Let's make it absolutely clear that we are committed to Key Competencies. Industry believes in Key Competencies and they will be delivered sooner or later.

**Terry Moran:** Well, that was the first part of my answer and I agree with what Bill has said. And your question points to the technical difficulties in mapping Key Competency requirements against competency standards, and against learning activities generally - and work continues on that. But frankly, I think that the Key Competencies issue has slipped from view a little bit, both in schooling and in vocational education and training in the last couple of years and needs to be put forward.

The second point I'd make is that there is an explicit acknowledgment that in delivering training programs pinned to Training Packages, in the way that Stella and Mark defined those, there is still a role for the individual provider to look to the general education needs of the individual student. So, that means that, for example, if a TAFE Institute finds itself with students undertaking an apprenticeship or traineeship related program, and realises that they need some additional experiences to improve their literacy or numeracy, that is for them to decide and to arrange. It may be that they even wish to supplement the training program based on the Training Package with broader educational experiences related to the industry generally. So that approach provides a continuing opening for a further go at the Key Competencies issue, which I'd take from your question, you'd agree also has not been prosecuted with real vigour over the last couple of years.

# THE NATIONAL STRATEGY FOR VOCATIONAL EDUCATION AND TRAINING - 1998 AND BEYOND

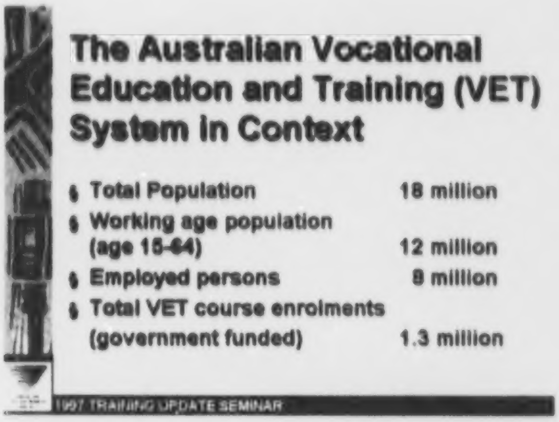
**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

One of the most important roles of the Australian National Training Authority is the development of a National Vocational Education and Training Strategy. Terry Moran, Chief Executive of ANTA, is going to talk to the seminar this afternoon about the National Strategy. Terry was appointed as the first Chief Executive Officer of ANTA, in what seems an age ago, but really was only May 1993, having spent the previous six years as Chief Executive of the State Training Authority in Victoria. His career as a public servant spans more than two decades during which time he has worked with successive State & Federal governments of all poltical persuasions as a policy adviser and manager.

He has also held management roles in education and training, administration, personnel and management consultancy. Terry is going to talk to us this afternoon about the development of the National Strategy by ANTA.

**Terry Moran**
**Chief Executive Officer**
**ANTA**

The vocational education and training sector has really moved very quickly from being a poor relation to playing a central role. And in terms of education, vocational education and training is in a much stronger position now than it was five years ago. And I'd like to cover a few points about where we are now and where we are going in the future. But first off, some basic information.



**The Australian Vocational Education and Training (VET) System in Context**

| | |
|---|---|
| Total Population | 18 million |
| Working age population (age 15-64) | 12 million |
| Employed persons | 8 million |
| Total VET course enrolments (government funded) | 1.3 million |

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There are about 1.3 million people enrolled in government funded vocational education and training programs, mainly in TAFE - that is a large number when set against the number of people in the workforce. But there are some other interesting statistics that are quite important. For example, in higher education there are about 630,000 students against the 1.3 million in vocational education and training. And if you boiled down both those numbers to equivalent full time students, the number for higher education is about 467,000 in 1996 and for vocational education and training, about 485,000 in 1995. And this is done in higher education at a cost of about $11,800 per student per year and in vocational education and training at a cost of $7,800 per full time student per year. So one might reasonably say that vocational education and training is as big or bigger than higher education in terms of its student load. It has many more enrolments certainly. It is significantly more efficient, but of course the gross expenditures on higher education are about twice those on vocational education and training.

**Who Pays for VET in Australia?**

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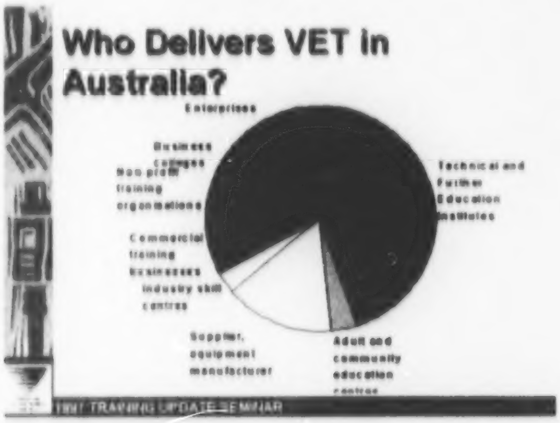
Who pays for vocational education and training in Australia? The government pays nearly half, individuals pay a small but significant amount, and enterprises pay about 43 per cent. And of that government funded effort in vocational education and training, over 70 per cent of the graduates go to the private sector, whereas for higher education, only 40 per cent plus of those graduates go to the private sector. The very sector of the economy on which we are most reliant for growth and prosperity, is itself far more reliant on vocational education and training for knowledge and skills than on higher education.

In terms of who delivers vocational education and training in Australia, again there are a very large number of many different providers.



**Who Delivers VET in Australia?**

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About 84 TAFE Institutes operating from 1,132 locations and, last time we counted, about 2,500 registered private providers, some of them schools, some of them firms, some of them community based providers in the adult community education sector, and some of them commercial providers of vocational education and training. And there are of course 501 adult and community education providers, many of which are recognised as private providers of vocational education and training.

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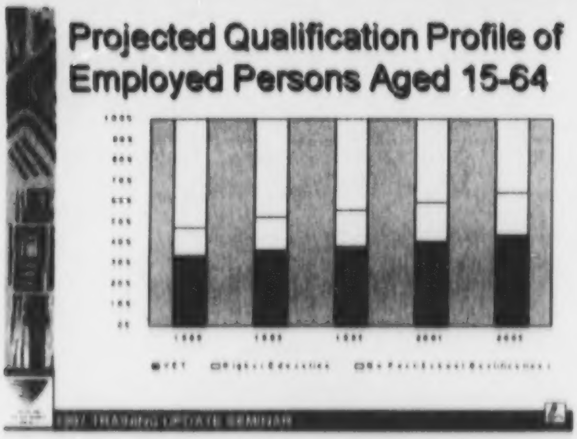
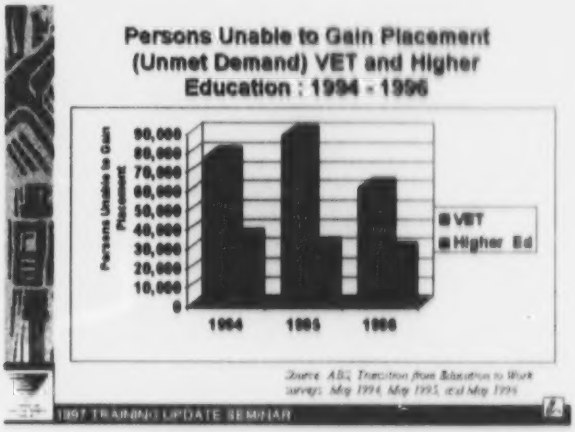


Projected Qualification Profile of Employed Persons Aged 15-64

The purpose of vocational education and training is to run courses leading to qualifications. Qualifications are becoming more important to people and the trend is up. And, of course, the most significant thing is that, despite the common perceptions, the incidence of vocational education and training qualifications amongst employed persons aged 15-64 is twice that of those with degrees. So the trend upwards in qualifications, the continuing growth in the number of people with vocational education and training qualifications, makes sense in terms of the general community perception that jobs for which there are no post-school education and training required, are disappearing very rapidly. And the demand keeps growing.



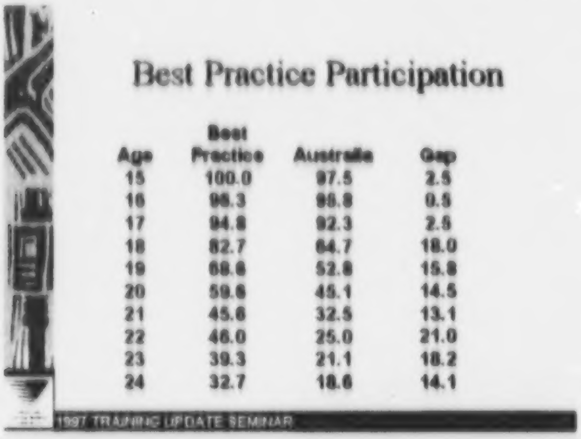
Persons Unable to Gain Placement (Unmet Demand) VET and Higher Education : 1994 - 1996

Source: ABS, Transition from Education to Work surveys: May 1994, May 1995, and May 1996

ABS surveys show that the unmet demand for places in vocational education and training has been high and appreciably higher than for universities. In fact, it is fair to say that many Universities have included many who took TAFE places in representing the demand figures for university places, and thus claiming publicly funded growth from governments. So, although these unmet demand figures for vocational education and training are significant, nonetheless in the last few years, we have been getting annual growth of 45,000 to 55,000 student places. As the system has grown, demand has grown in step with that growth in what the system is able to do.

We continue to see a growth in the demand for vocational education and training. And people, of course, are correct to individually know that vocational education and training qualifications are what they need. And it is interesting how individuals collectively pick up trends long before the statisticians and researchers.

So Faith Popcorn, the American trendologist, bases all her work on focus groups of people and beats the other predictors, by a couple of years in predicting where the trends are going. And the research that we have done is just starting to prove what many Australians already know, and that is that vocational education and training really matters.



## Best Practice Participation

| Age | Best Practice | Australia | Gap |
|---|---|---|---|
| 15 | 100.0 | 97.5 | 2.5 |
| 16 | 96.3 | 95.8 | 0.5 |
| 17 | 94.8 | 92.3 | 2.5 |
| 18 | 82.7 | 64.7 | 18.0 |
| 19 | 68.6 | 52.8 | 15.8 |
| 20 | 59.6 | 45.1 | 14.5 |
| 21 | 45.6 | 32.5 | 13.1 |
| 22 | 46.0 | 25.0 | 21.0 |
| 23 | 39.3 | 21.1 | 18.2 |
| 24 | 32.7 | 18.6 | 14.1 |

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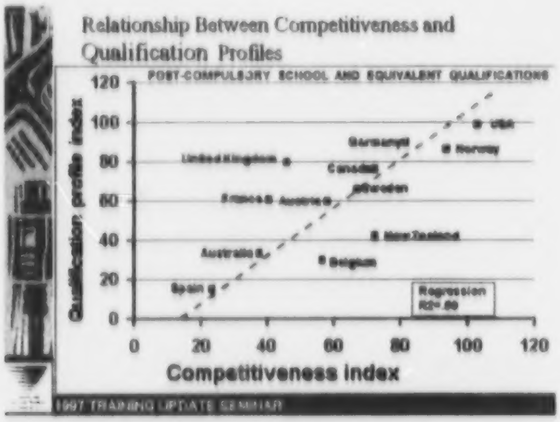
We need to look at how we stand against the rest of the world and what this table represents is by age for the best performing country from within the OECD area, the proportion of people actually participating in vocational education and training. And what you can see is that for every age shown here, we're behind the pack. And in some cases, we are very substantially behind the pack in terms of participation in vocational education and training.

Relationship Between Competitiveness and Qualification Profiles



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We've taken this analysis a little further and, although this is a slightly difficult graph to read, we have related ranking according to world competitiveness and ranking using OECD statistics according to qualifications profiles. And after we've analysed the OECD data and adjusted it to achieve comparability, what we find is that Australia is a fair way back in terms of its rankings for qualifications and, as was indicated earlier today, we're also a fair way back in terms of our competitiveness rankings.

But what's more important is that when these two are put together - and this work is nearing completion within ANTA and we'll publish it soon as an input into the National Strategy - what emerges is a strong correlation between world competitiveness ranking, as assessed for the World Economic Forum at Davos, and ranking in terms of qualifications profiles, derived from adjusted OECD statistics.

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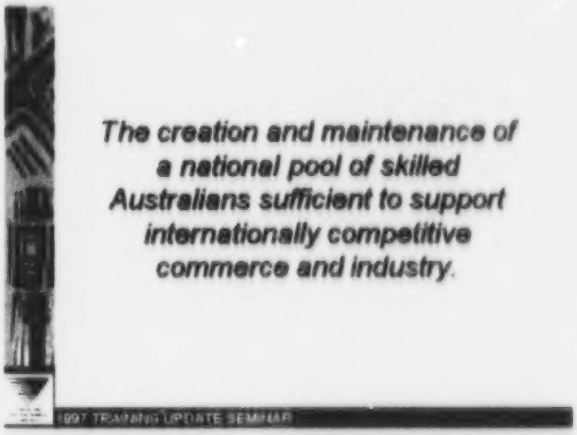
If we wish to see Australia become a more competitive country, and thus achieve greater prosperity and more jobs, we appear to have a problem when compared with other countries, in terms of how we stand on our qualifications profile. And lest our University colleagues take any comfort from this, a further part of the analysis shows that further improvements in degree rankings have the lowest capacity to explain an improvement in our competitiveness. What appears to be most important is what happens in the last two years of schooling, and in that part of vocational education and training leading to qualifications at the Certificate level.



*The creation and maintenance of a national pool of skilled Australians sufficient to support internationally competitive commerce and industry.*

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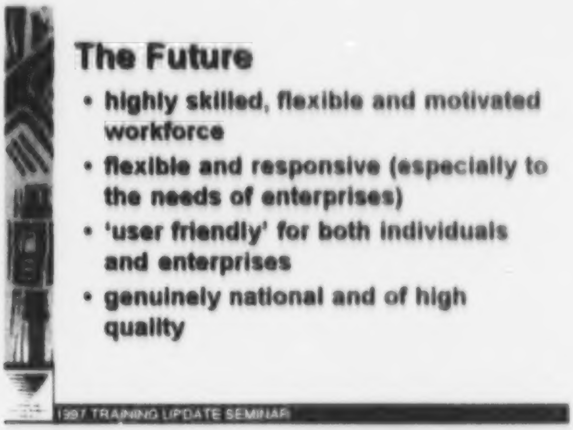
So, we believe that we are headed in a direction where we must have as our aim the creation and maintenance of a national pool of skilled Australians sufficient to support internationally competitive commerce and industry.



**The Future**

- highly skilled, flexible and motivated workforce
- flexible and responsive (especially to the needs of enterprises)
- 'user friendly' for both individuals and enterprises
- genuinely national and of high quality

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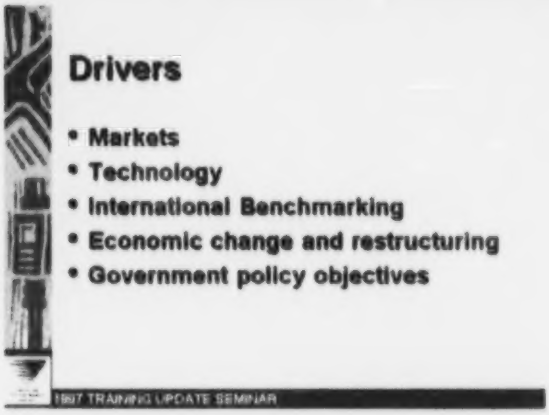
And we've got a fair way to go, of course, in achieving that aim. It might translate into this: a system with a focus on a highly skilled, flexible and motivated workforce; a system which is flexible and responsive in its own sense, especially to the needs of enterprises; a system which is user friendly for both individuals and enterprises and one which is genuinely national and of high quality. And education and training will be delivered increasingly, not just in national markets which have been mentioned today, but increasingly in international markets. It is now possible to enrol in programs delivered by educational institutions in other countries through the Internet and to participate fully in those programs. There will be a huge change in that dimension over the next few years.



## Drivers

- **Markets**
- **Technology**
- **International Benchmarking**
- **Economic change and restructuring**
- **Government policy objectives**

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Reform, however is not internally driven. There are real external pressures on the system and a number have been developed in the early stages of development of the National Strategy. And these we have called the drivers of change - markets, technology, international benchmarking, economic change and restructuring in the economy and a variety of government social objectives. And I would just like to say a few words about each of them.

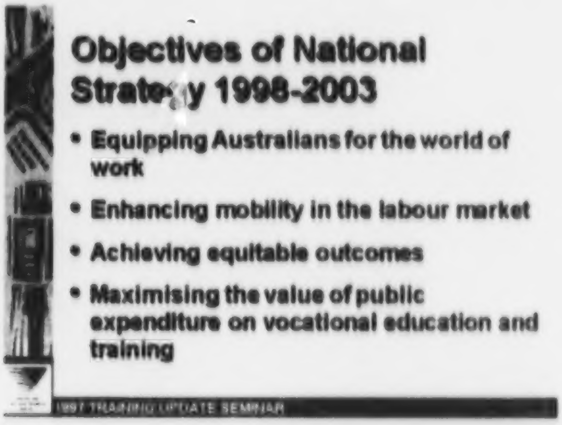
There has been an acceleration of market oriented reforms within vocational education and training and User Choice is one example of that. The question is being asked ever more enthusiastically: what product is actually to be purchased from providers? How much will it cost? Who will pay for it? And how can it be best delivered to the client? In other words, more leverage is being given to those who seek vocational education and training in their dealings with the providers of vocational education and training.

Technology will have a huge impact on all of education, but particularly vocational education and training in the future. And we will see, I think, within five to ten years, a total revolution in our current concepts of learning and how it is undertaken, and education and how it is delivered.

International benchmarking is important in the sense that I mentioned before, where we start to look at competitiveness rankings and rankings on qualifications profiles. But it is also important in terms of seeing how providers in Australia measure up against those overseas - and the good news is that many providers measure up very well indeed, but there is scope for improvement.

Economic change and restructuring is seen perhaps by many in our society as being something of a burden, but it isn't going to be something which goes away because it is so substantially driven by forces outside Australia in a way that has been discussed by, amongst others, Minister Kemp and Stuart Hornery this morning.

And finally, there will always be government policy objectives which impact on vocational education and training or any other area where government is involved. Here I'm thinking of things like New Apprenticeships but also the equity objectives that remain important for all governments participating in the ANTA Agreement.



## Objectives of National Strategy 1998-2003

- **Equipping Australians for the world of work**
- **Enhancing mobility in the labour market**
- **Achieving equitable outcomes**
- **Maximising the value of public expenditure on vocational education and training**

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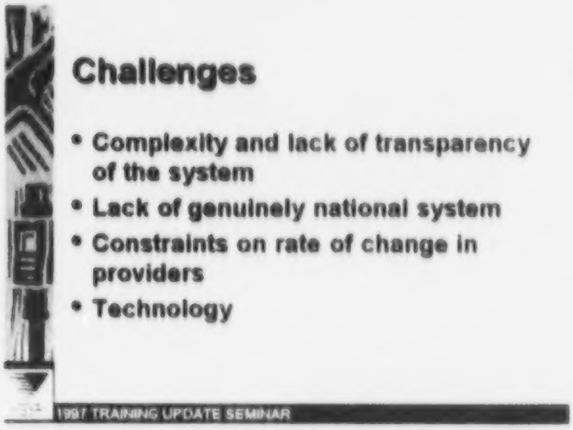
So we're moving towards a National Strategy which really has four objectives: equipping Australians for the world of work; enhancing mobility in the labour market; achieving equitable outcomes; and maximising the value of public expenditure on vocational education and training. These objectives went to Ministers on 23 May and they were provisionally accepted as the basis for further work on the development of the National Strategy. They are obviously more detailed than this - they may change somewhat in the light of the consultations which will now follow. But basically they're the rock on which we are to build our work on the National Strategy.



## Challenges

- **Complexity and lack of transparency of the system**
- **Lack of genuinely national system**
- **Constraints on rate of change in providers**
- **Technology**

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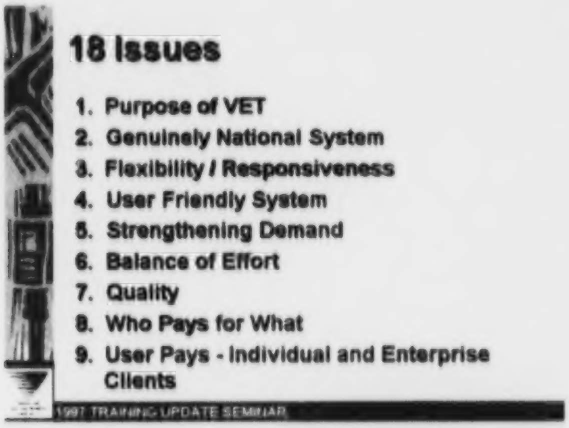
Against these objectives and the drivers there are some challenges. There are some problems to be overcome. There is still too great a level of complexity and lack of transparency in the system, even with the reforms that have been described this morning. There is still the lack of a genuine national system as a basis for labour force mobility within Australia. There are constraints on the rate of change in providers which means that providers often feel threatened by the need for change and find it difficult to achieve change in the timelines that those sitting outside the providers think are reasonable. There are also challenges arising from technology, most particularly the cost of getting it to all of those that need it and also the cost of overcoming the fears that many people have about the application of the new technologies to vocational education and training.

Prior to the Ministerial council meeting on 23 May, we arranged for leaders of vocational education and training at the State and Territory level to work individually and then collectively in developing a view of where vocational education and training was going and we did the same with a group of industry people. And out of that came 18 issues which we took to Ministers on 23 May. The identification of these issues did not lead to any decisions at this stage - they define the scope of our work over the next few months on where we should go with vocational education and training.



**18 Issues**

1. Purpose of VET
2. Genuinely National System
3. Flexibility / Responsiveness
4. User Friendly System
5. Strengthening Demand
6. Balance of Effort
7. Quality
8. Who Pays for What
9. User Pays - Individual and Enterprise Clients

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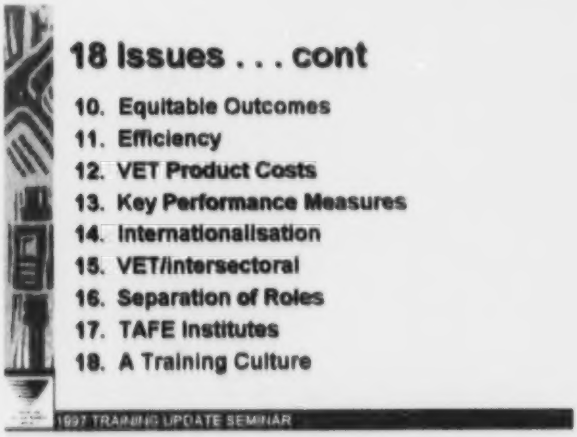
And they embrace:

- The purpose of vocational education and training
- How we achieve a genuinely national system
- Flexibility and responsiveness
- How we get a more user friendly system
- Strengthening demand
- How we change the balance of effort in terms of industries and community groups
- Quality
- Who pays for what
- User pays, that is, what should individuals and enterprise clients pay for, given that they already pay half the cost of vocational education and training



**18 Issues . . . cont**

10. Equitable Outcomes
11. Efficiency
12. VET Product Costs
13. Key Performance Measures
14. Internationalisation
15. VET/intersectoral
16. Separation of Roles
17. TAFE Institutes
18. A Training Culture

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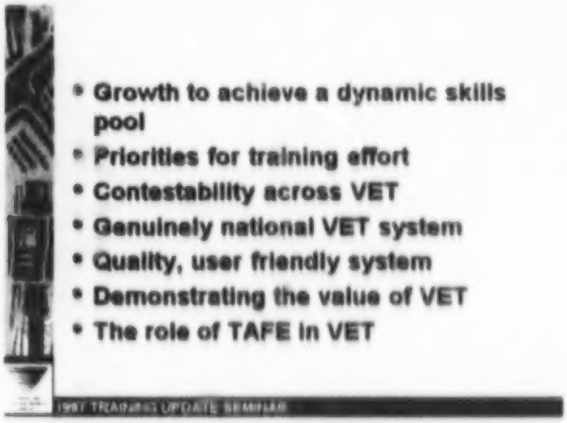
- How do we achieve more equitable outcomes
- How do we improve efficiency
- What are the costs of the products that we use in vocational education and training
- What should be the key performance measures, given that nearly everybody hates the ones we've got
- How do we pursue internationalisation
- How do we work out some intersectoral issues as between vocational education and training and schools and vocational education and training and higher education in a way that doesn't make VET subservient to Universities
- How do we achieve a better separation of roles within the State administration of vocational education and training
- What are the future of TAFE Institutes, and
- How do we do more about developing a training culture within industry itself.

Now, I stress that Ministers agreed in May that, in the main, the resolution of these issues will identify strategies for inclusion in the final National Strategy - but they didn't actually take any decisions about where they want to go at this stage.

For ease of discussion today, I have grouped these issues, all 18 of them into seven topics, and I'd like to go through those topics fairly quickly.



- **Growth to achieve a dynamic skills pool**
- **Priorities for training effort**
- **Contestability across VET**
- **Genuinely national VET system**
- **Quality, user friendly system**
- **Demonstrating the value of VET**
- **The role of TAFE in VET**

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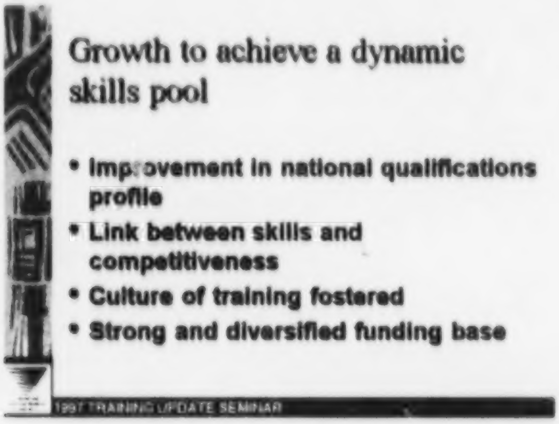
And they are:
- Growth to achieve a dynamic skills pool
- Priorities for training effort
- Contestability across vocational education and training
- A genuinely national vocational education and training system
- Quality and a user friendly system
- Demonstrating the value of vocational education and training, and
- The role of TAFE in vocational education and training.

For each of these topics I will just give some very brief indications of the sort of matters that will be debated in the months ahead.

Firstly, growth to achieve a dynamic skills pool.



**Growth to achieve a dynamic skills pool**

- Improvement in national qualifications profile
- Link between skills and competitiveness
- Culture of training fostered
- Strong and diversified funding base

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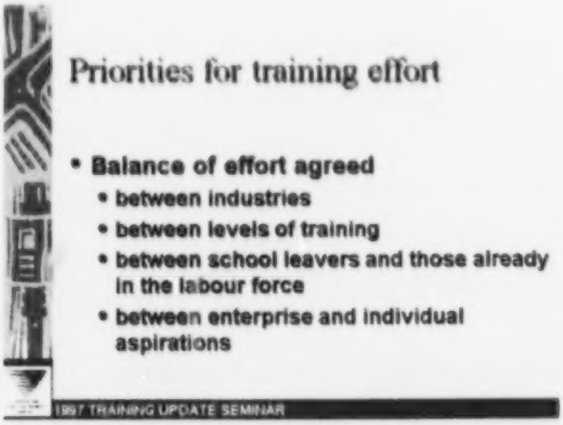
Here we have to look at improvements in the national qualifications profile. That goes back to what I said before about how we stand on the basis of the work comparing our competitiveness ranking with our ranking in terms of qualifications profile. We have got to have a closer look at the link between skills and competitiveness at the level of the individual firm - and Ministers have already commissioned some additional work on that. We have to find new ways of fostering a training culture within industry, within individual businesses. As Stella Axarlis said this morning, those businesses that don't take it more seriously may well find that they will have future problems. But I think the ANTA Board's view would be best not to rely on the extinguishment of businesses for others to learn the lesson. It would be better to find ways to convince businesses of the need for greater attention to the skills and knowledge of the people who work within them than is the case at the moment.

And finally, this reference to a strong and diversified funding base is a reference not to supplanting existing levels of government expenditure with anything else, but really encouraging the private sector in particular, perhaps to spend more on vocational education and training.



**Priorities for training effort**

- Balance of effort agreed
  - between industries
  - between levels of training
  - between school leavers and those already in the labour force
  - between enterprise and individual aspirations

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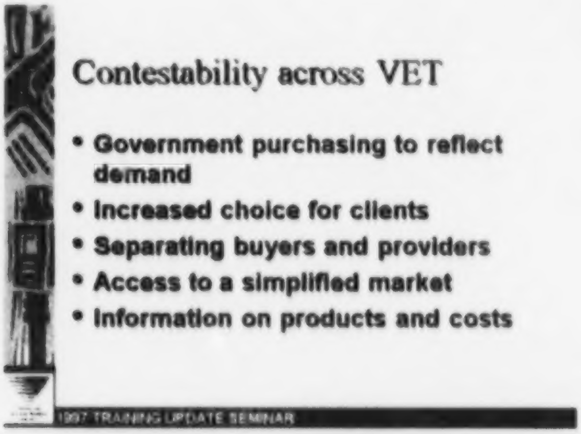
In terms of the priorities for training effort, we have the age old problem of how we distribute publicly funded effort between industries. As has also been remarked this morning, there are still many industries which happen to be those in which large numbers of young people are being employed, and also happen to be those in which large numbers of women are employed. It's these industries that have been neglected by the traditional funding of vocational education and training in Australia. There is also a problem as to the levels of courses offered. Inevitably, the providers all want to go to the upper end of the qualification framework but the reality is that the majority of Australians are looking for, and need, programs at the certificate level - although those may well lead to higher level courses and qualifications further down the track.

To have TAFE dragged into a preoccupation with diploma level programs at the expense of those at the certificate level would, in my view, be a tragedy. There is a need for balance between school leavers and those already in the labour force. TAFE, in particular, but other private providers as well, do a huge amount of work for adults already in the workforce or those wishing to enter the workforce. We need to find a better rationale for finding a balance between different types of student than we have got at the moment. And, finally, there is a balance of effort needed between the aspirations of enterprises and those of individuals.



### Contestability across VET

- **Government purchasing to reflect demand**
- **Increased choice for clients**
- **Separating buyers and providers**
- **Access to a simplified market**
- **Information on products and costs**

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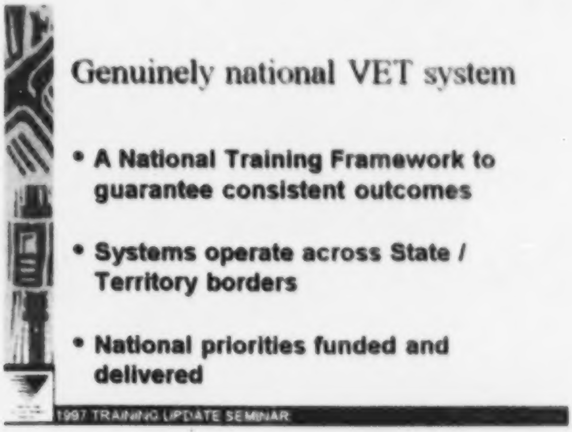
Contestability across vocational education and training is also a major topic. Government purchasing will inevitably have to move more in the direction of reflecting demand. There will have to be increased choices for clients. Already today, there has been apparent a great desire to see more information available on what is happening in vocational education and training, but more particularly what the products are and how to access them.



### Genuinely national VET system

- **A National Training Framework to guarantee consistent outcomes**
- **Systems operate across State / Territory borders**
- **National priorities funded and delivered**

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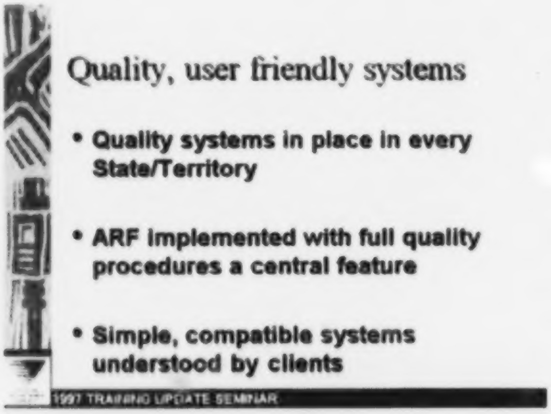
So contestability across vocational education and training is not as perhaps some in TAFE would see it, a question of taking money out of TAFE and putting it to some other purpose. Contestablity in VET is all about achieving improvement through subjecting providers, public and private, to greater competition in terms of a genuinely national VET system.



### Quality, user friendly systems

- Quality systems in place in every State/Territory
- ARF implemented with full quality procedures a central feature
- Simple, compatible systems understood by clients

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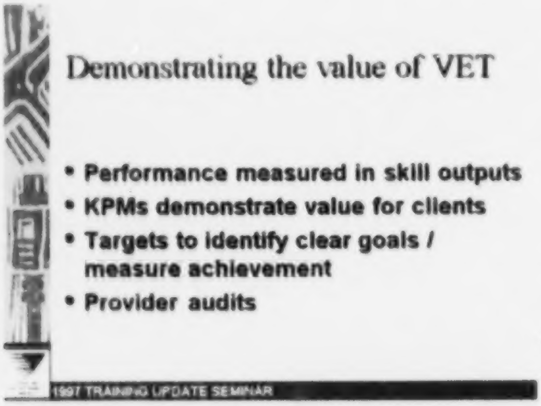
On the topic of quality and achieving a user friendly system, States and Territories have a lot of work to do to introduce the new quality systems which flow from the decisions that Ministers have taken and will hopefully take from late July. The Australian Recognition Framework has to be effectively implemented, and we need greater simplicity so that clients find it easier to understand.



### Demonstrating the value of VET

- Performance measured in skill outputs
- KPMs demonstrate value for clients
- Targets to identify clear goals / measure achievement
- Provider audits

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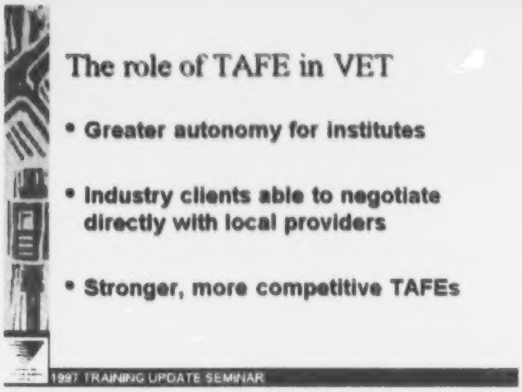
In demonstrating the value of vocational education and training, this is not just an issue of more effective marketing, it is also more attention to how we measure performance, in terms of skill outputs achieved within vocational education and training and how that should be reflected in the key performance measures which are used. We need targets to identify clear goals, so that achievement can be measured, particularly in the access and equity area, and we need to sort out some of the debates about how, in the future, providers will be audited under the new arrangements for the Australian Recognition Framework.



## The role of TAFE in VET

- **Greater autonomy for institutes**
- **Industry clients able to negotiate directly with local providers**
- **Stronger, more competitive TAFEs**

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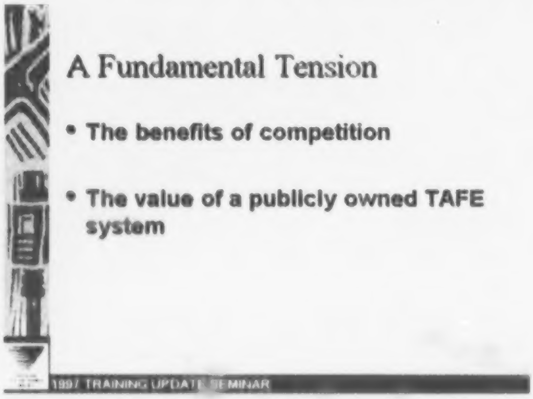
The role of TAFE in vocational education and training. Inevitably, the debate will throw up the issue of greater autonomy for TAFE Institutes and some of the issues here were raised this morning - institute boards, more authority over what they do, more authority for industry clients to negotiate directly with local providers and, as a result of these and other changes, stronger and more competitive TAFEs operating throughout Australia.



## A Fundamental Tension

- **The benefits of competition**
- **The value of a publicly owned TAFE system**

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Now, in all of this we face a fundamental tension, and it's on this point that I would like to conclude. TAFE's future success depends on how it can adjust to recent pressures and focus on new values. The next few years will be very important ones for TAFE. The vocational education and training system has needed, and will continue to need, a good dose of competition. There is no question of that - it's going to happen - and further market reforms are yet to be made. TAFE staff, if honest with themselves, can see the value that competition can bring. TAFE has needed internal reform, things such as efficiency and external reform, competition, responsiveness. There is no question of turning to the old TAFE, quarantined from public policy pressures, the interests of industry, or the contemporary realities that Australia faces. Many who work in TAFE, recognise that if they want satisfying jobs in TAFE Institutes with a future, then the challenges must be faced. The challenge ahead, and I admit it would not be without tension, is how to use the recent pressures to enhance the competitiveness of TAFE, while still protecting what is valuable about TAFE Institutes in Australia. Thank you very much.

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

Thank you Terry. We are now going to have a question session on the National Strategy, ANTA's role of the National Strategy and various issues that have been discussed by Terry in his presentation this afternoon.

## QUESTIONS AND ANSWERS - NATIONAL STRATEGY

**QUESTION John Mullen, 'Textile Clothing Footwear Coordinator of the Australian Light Manufacturing ITAB:** I just have a comment and a question with regard to the leveling that you were talking about before, also looking at industries who are finding it difficult to confront change, cope with change, the concept of actually getting in before they go under, and also the concept of equity and access. In terms of TCF industries we find that we are competing with industries that have had a training culture for the last 20-30 years, apprenticeships have been going for some time, and a clear understanding of the training culture in textiles, clothing and footwear which is starting. We find that we really have a deficit in terms of Training Packages and the training agenda, what options are there for the industries in textile, clothing, footwear?

**ANSWER Terry Moran:** Well I'm almost tempted to ask whether one of the ANTA Board members, Jenny Rixon is here, because she is from your industry and I know she has some very strong views on the issues that you've raised. But there are already a significant number of programs available for TCF industries. If there are Training Packages to be developed, that's not a problem, funds can be found for that. If there is a question of apprenticeships and traineeships or additional apprenticeships and traineeships being established for that industry, I think that everybody would be keen to see that happen and the resources would be made available to deliver the off the job training that is required for those. For those experiences for young people, in terms of retraining in the work force, I think that there are some other industries that have gone a bit further, as your comment and your question suggests in providing for training in the workplace, as well as encouraging people to enrol in TAFE courses of various sorts. But there are TCF providers in Victoria and NSW, already some innovative approaches, and I think that it is ultimately a question of the industry itself being more precise about how it sees it's future needs, and then having a debate at both the State and Territory level, and at the national level about what will be done to meet those needs.

**QUESTION John Mullen :** Could I just follow up with regards to training culture. We have wonderful opportunities, I think, through Training Packages and putting in place training for the TCF industries. Unfortunately there is a large component of TCF industries who are saying, it's going to take an enormous amount of our time to come up to scratch with regards to competency standards, with regards to the endorsables, what we want now is access to training. Now we need to take first steps of revealing competency standards, putting a system in place, before we can actually access that efficiently. Institutional training has been seen as something that is not most appropriate for the industries, workplace training certainly is, it is a relatively new concept, and it certainly will require some work to actually implement it in these areas.

**ANSWER** **Terry Moran:** Could I just add a final comment on that. A number industries are bringing forward Training Packages right now because they have already done work on competency standards, curriculum, assessment and so forth. They've been able to do a bit of further work to fill gaps, repackage all of that as a Training Package and get it up. Now, a lot of work has been done in the TCF area. I think that the issue is not to reinvent the wheel, but to look at what is already there against the contemporary requirements of the industry and the new arrangements that have been described today, quickly put it together and get it up. I would surprised if this needed to be a long drawn out affair.

**Bill Mansfield:** I would have thought also in the TCF area that much of your training is going to be at the AQF 2 level, your operator types, that should be done through traineeships. I would be surprised if the industry training company in your area hasn't already developed training competency standards for a AQF 2. Dave Robson, are there industry packages for TCF?

**Dave Robson:** There are three traineeships in the area ready to go.

**QUESTION** **Jeremy Gilling, National Process Manufacturing ITAB:** Two quick ones. Firstly, the statistical and graphical information that you presented was very interesting, but you whizzed through it, could we have hard copies of that please?

**ANSWER** **Terry Moran:** All of the presentations will be produced as part of the pack which everybody here will receive, and I think there will also be available on the new ANTA home page which is being switched on today.

**QUESTION** **Jeremy Gilling:** And secondly, when you distilled your 18 issues down to seven topics, two issues seemed to fall off the edge. One was intersectoral links with the higher education and the other was internationalisation of vocational education and training. Would you be able to give a quick overview of that?

**ANSWER** **Terry Moran:** Well the intersectoral links are not only with higher education Jeremy, but also with schools, and I, at the moment, think those with schools are more important than those with higher education. In terms of higher education, the flow has actually been from Universities to TAFE, rather than the other way around. There are many times the number of graduates of universities coming into TAFE than TAFE students seeking admission to universities with advance standing on the basis of their TAFE experience. In terms of schools, the critical issue is how do we ensure that school students undertaking vocational education and training programs or New Apprenticeships have automatic recognition of that experience, should they progress from school into a TAFE or private provider environment.

In terms of the internationalisation issue, benchmarking of institutes in Australia is fairly primitive, benchmarking of Australian institutes and providers against those overseas is virtually non-existent. We have plenty of visitors coming to Australia, saying that, for example, TAFE is terrific and they love it and they're right. But we haven't yet done the work to see how we stand up against the best overseas, in the same way that many companies in many industries have done in recent years, in order to get a better lead on their competitive position. The reason why this is important goes back to the points that have been made by Stuart Hornery and others today, centring around the internationalisation of education. The effect of the new technologies will be that it will become very easy for your students, if you're in TAFE, to actually enrol in programs offered overseas, and there will be a higher level of competition therefore presented toTAFE and private providers from those overseas universities, community colleges andwhatever. And unless we not only respond to the technological imperative, but also start to see ourselves as part of that broader, international education universe, providers in Australia will fall back and be done over.

**Bill Mansfield:** Could I just add a very small dimension to the international issue as well. There is a project going on right now, to have mutual recognition of vocational education and training qualifications between Australia and New Zealand. There is also a project going on to have mutual recognition, I think, in the APEC area, with Indonesia, and so this is another example of the internationalisation of the vocational education and training system. I guess if you let your imagination run wild a bit, it is conceivable that, in time, New Zealand TAFE Colleges could be offering courses that, and private providers could be offering courses, that could get qualifications which are recognised here in Australia; and vice versa. We could be offering courses here in Australia for people to come from New Zealand.

**QUESTION** **Des Fooks:** I really wasn't going to ask a question, but I noticed that all the speakers today have been talking a bit about training in terms of positioning Australia in the global economy. On putting that alongside the KPMG report on the costs and type of growth under New Apprenticeships, which I've read pretty carefully; and I noticed that, first of all I need to say that I recognise that it is a report from a consultant and not a statement of ANTA policy, but nevertheless it was prepared under ANTA guidance; and I guess the thing that worries me about it is, its predicated on no growth whatsoever in traditional three - four year apprenticeship programs; total growth is predicated on traineeship growth and, within that, almost exclusively one year traineeships. So what I'm trying to understand is how we position ourselves in the global economy if all New Apprenticeships means is major growth in one year traineeships.

**ANSWER** **Terry Moran:** I think that you've got a valid point there, Des, and at the end of the day, as you've been pointing out constantly, the number of apprenticeship commencements has been going down. And you know that other work has been done to identify the reasons for that. And there are a number of them. And they have less to do with the training system than the circumstances which individual firms are facing at the moment - for example, a difference in the business cycle that they are working to and the training cycle, or the tendency to outsource the delivery of many services to companies that don't have any need, in their view at least, to do any training at all, changes in the way government business enterprises operate and what they do.

There has also been a perception from business that they can't get the same number of quality young people lining up to be considered for traditional apprenticeships as they thought was the case perhaps ten years ago; and there are many stories of large groups of applicants in the past, shrinking in size and shrinking in quality. So, in a sense, whether it is three or four year apprenticeships, which are very desirable for many industries, or much shorter traineeships, will ultimately be driven by what firms want to do and what they're encouraged to do. I know that you have some views on how the incentives might be changed from the perspective of the firm - they may or may not be right. But at the end of the day, what has to happen is that we have to do our best to explain to firms how useful the longer apprenticeships might be, but we can't compel the firms to take on people for three or four year programs if, in the business circumstances they face, they feel they can only handle one year traineeships. That said, the critical thing is that those people who do one year traineeships can come back and do a further instalment to upgrade their skills, and there has to be an essential feature of the design of the Training Packages, and the way in which things are offered.

**Bill Mansfield:** Can I just add another small point about the rationale for the training imperative. We've heard a lot this morning about the need for Australia to be internationally competitive and that is absolutely true and it is part of the rationale for both the business community and the ACTU and trade unions supporting strongly the need for a reformed vocational training sector in Australia.

However, there is another dimension to this, and this is the dimension of the individual - the individual employees in the workforce and their ability to access vocational training. I was reading some OECD statistics late last week for an article we were preparing on vocational training. They show quite clearly that access to education and training firstly increases the lifetime remuneration of individual employees by substantial amounts of money. A person who has left school with basic education standards, Year 10 in our context, who doesn't have access to vocational training, doesn't go on to Year 12, or having gone on to Year 12, doesn't go on to tertiary studies, is going to earn, over a working life time, on average, a very significantly amount, less money than the person who has those opportunities. So, in terms of remuneration, it is very important. In terms of job security, it is also very important. The propensity for a 20 - 25 year-old to be unemployed between those ages is increased by a factor of something like 30 or 40 percent if a person hasn't had access to Year 12 secondary education and/or significant vocational training. So, in terms of job security and in terms of income, the issue of vocational training and education is a very important one for individual employees to enable them to maximise their individual capacities.

Now, from an ACTU standpoint, putting that hat on for a moment, that should be translated in part, to an argument about the right to access vocational training, not really an option, but a right. And that's something which we will be working on in the years to come - and it may well have an influence on this issue of the number of apprenticeships as well as traineeships.

**QUESTION Margot Turner from Tourism, Training NSW:** My question is about quality systems: I just wondered if you could give me a clear simple definition of the way ANTA sees vocational education and training quality systems, and I was also wondering if the criteria on which people's quality systems will be judged, will be set by ANTA, by State bodies or if they are going to be something that evolves.

**ANSWER Terry Moran:** The traditional approach to handling quality and vocational education and training was to look at issues up front - to accredit courses, to worry about teacher qualifications, to inspect facilities, to worry about libraries, and so forth. What we're doing is shifting to an approach to quality which is along the lines of what was described this morning under the title of the Australian Recognition Framework and the National Training Framework more generally. Firstly, that recognised training organisations will have to be quality assured, and that means that the process by which they come to be recognised training organisations, will be more meticulous than was sometimes the case in the past.

Secondly, the development and endorsement of Training Packages is a critical part of the quality issue. There remain problems of ensuring that teachers, work place assessors and trainers are properly trained and have the skills to develop programs and deliver courses and so forth, and that's in the hands of the States and Territories. So, I think we are seeing a move away from an old fashioned regulatory approach to one which places more emphasis on contemporary views of how you choose quality assurance.

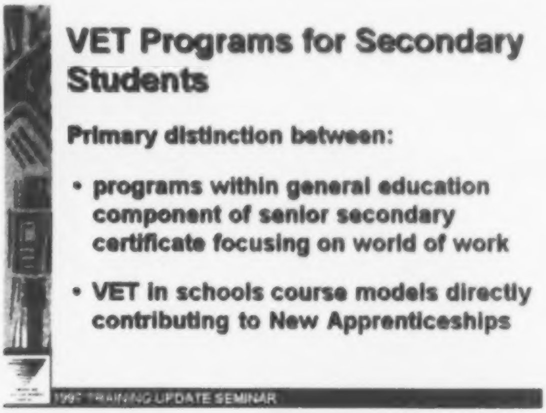
**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

I would now like to introduce Chris Eccles. Chris is the Director of Commonwealth State Relations of the Australian National Training Authority and Chris is going to brief the seminar on Vocational Education and Training in Schools. Prior to joining ANTA in 1994, Chris held a variety of legal and other positions in the Commonwealth and Australian Capital Territory governments. The Commonwealth/State Relations team of ANTA is responsible, amongst other things, for the development of policy advice for the New Apprenticeship system, and is also responsible for its coordination and implementation. The vocational education and training in Schools issue is an emerging, important dimension of the vocational training system in this country and Chris is going to give us a short presentation on that issue. Thank you Chris.

**Chris Eccles**
**Director**
**Commonwealth State Relations, ANTA**

Thank you ladies and gentlemen. I think it's a measure of the importance attached by industry and governments to vocational education and training in schools, that in the vast array of possible issues for presentation today, VET in schools emerged from the ruck. My task is to briefly run with that ball and provide you with a snap-shot of where we are up to.

Vocational education and training is an increasingly common feature of the post-compulsory years of schooling. Governments around Australia are active in experimenting with, and promoting, various models designed to provide young people with skills relevant to the work place and attractive to employers.



**VET Programs for Secondary Students**

**Primary distinction between:**

- **programs within general education component of senior secondary certificate focusing on world of work**
- **VET in schools course models directly contributing to New Apprenticeships**

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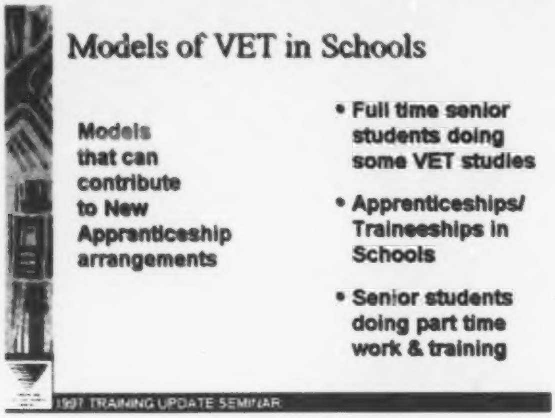
There is, however, a primary distinction to be drawn between those programs which, within the general education component of the senior secondary certificate, focus on the world of work, with some including work experience programs, and the range of vocational education and training in schools course models, which could directly contribute to New Apprenticeships in that they are related to endorsed national competency standards and lead to a vocational credential within the Australian Qualifications Framework.

Within this second category, there are in turn three principle models of programs.



## Models of VET in Schools

Models that can contribute to New Apprenticeship arrangements

- Full time senior students doing some VET studies
- Apprenticeships/ Traineeships in Schools
- Senior students doing part time work & training

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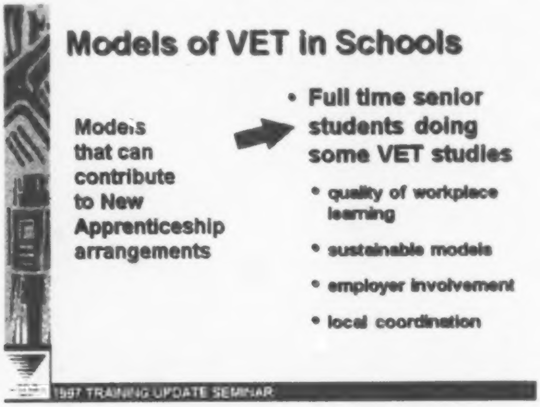
First, full time secondary students undertaking vocational education and training studies as part of senior secondary studies. Now, delivery options here include delivery totally by the school, delivery by the school with a work place learning element, or delivery by the school with a public or private provider.

The second involves secondary students undertaking a traineeship or apprenticeship program, involving a contract of training and paid employment whilst studying at school. That is, the student is both a secondary student and an employee.

The third model, is where students undertake senior secondary education as well as part-time employment out of school hours which has a formal, structured training component.

This first model has been the focus of most current activity. There has been substantial growth in participation in vocational education and training in schools programs. However, the alignment of this model with New Apprenticeship principles is variable and is being addressed by the States and Territories, so as to maximise the preparedness of young people for further education, training or employment.



## Models of VET in Schools

Models that can contribute to New Apprenticeship arrangements

- Full time senior students doing some VET studies
  - quality of workplace learning
  - sustainable models
  - employer involvement
  - local coordination

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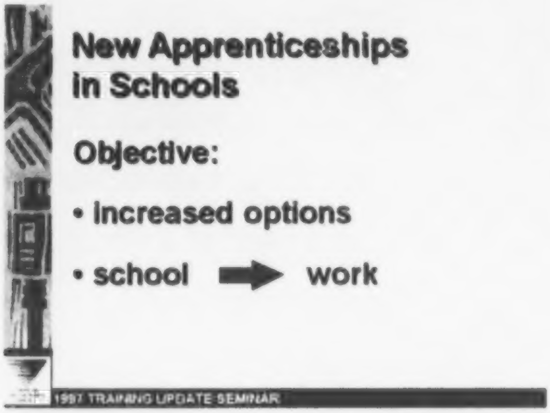
Some of their activity, that is the State activity, is being directed to the quality of the structured workplace learning experience. Workplace learning is vital. It is a vital component of many vocational education and training in school programs, but is variable in terms of both quality and the way it is arranged, managed, assessed and the duration and the extent of integration into curriculum. Some of the particular challenges here go to the need to develop sustainable models, particularly in terms of resourcing, the need to increase employer involvement and here the Australian Student Traineeship Foundation has a key role - and the related need to improve quality local coordination into programs.

There's really little to say about the third model, other than it has yet to be explored in any great detail and will need to be the focus of considerable further work. Over the last nine months or so, however, there has been substantial effort directed to fleshing out the New Apprenticeship model.



**New Apprenticeships in Schools**

**Objective:**

- **increased options**
- **school ➡ work**

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The essential objective of the 'New Apprenticeships in Schools' model, is to increase the options available to school students. For the majority of our young people who don't go on to study full time at university, New Apprenticeships offers a much needed alternative, aimed at giving them real skills that will help them move from schools to work. The portability of these recognised skills means that it doesn't matter where the workplace ends up being - the skills will be recognised by employers around the country.

**New Apprenticeships in Schools**

**Two Components:**

- **General education**
- **Vocational training**
  - **Training Agreement**
  - **VET Credential**

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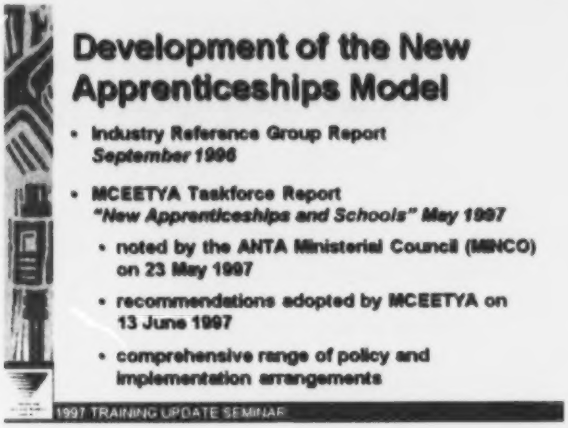
For students opting to follow the New Apprenticeship pathway, there will be two components to their schooling - general educational study associated with the senior secondary certificate, and the specific development of vocational skills or competencies, as part of an employment relationship under a training agreement, which provides a recognised vocational education and training credential.

For those of you in the audience who are interested in the process side of things, I'll just quickly sketch the steps that were taken in getting to where we are up to.



### Development of the New Apprenticeships Model

- **Industry Reference Group Report** ***September 1996***
- **MCEETYA Taskforce Report** ***"New Apprenticeships and Schools" May 1997***
  - **noted by the ANTA Ministerial Council (MINCO) on 23 May 1997**
  - **recommendations adopted by MCEETYA on 13 June 1997**
  - **comprehensive range of policy and implementation arrangements**

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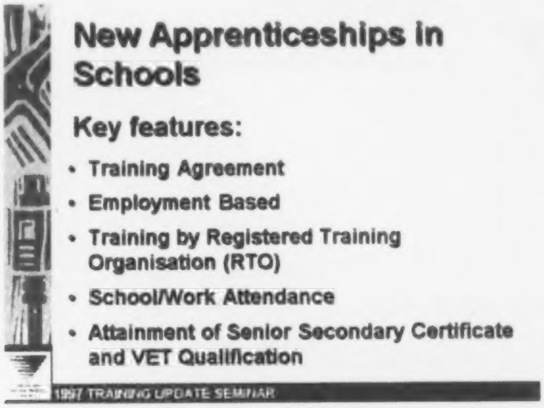
All along the way, and it's a consistent theme through both the industry reference group activity and the MCEETYA Task Force, we've had the involvement of the vocational education and training sector, the school sector and industry, with the current focus on the ongoing work of the MCEETYA Task Force, which meets again tomorrow.

Importantly, the report of the task force notes industry's critical role in developing apprenticeships and traineeships in schools. It also addresses the need for promoting industry's involvement in strengthening the partnerships between industry, the training system and schools and recognises the important role that Group Training Companies will play in implementing New Apprenticeships in schools.

The principles and framework adopted by MCEETYA on 13 June are designed to help schools introduce apprenticeships and traineeships, collectively referred to as New Apprenticeships.



### New Apprenticeships in Schools

**Key features:**

- **Training Agreement**
- **Employment Based**
- **Training by Registered Training Organisation (RTO)**
- **School/Work Attendance**
- **Attainment of Senior Secondary Certificate and VET Qualification**

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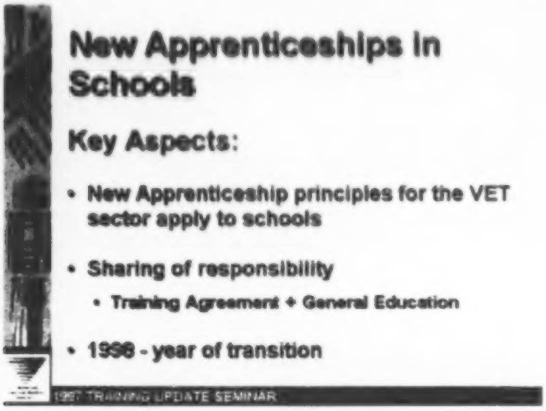
Now, the key feature of these New Apprenticeships in school arrangements are a Training Agreement, linked to an industrial award or workplace agreement, signed by the employer and the school student - this formalises the commitment of the employer to provide systematic training and the apprentices or trainees to apply themselves to learn the trade or occupation; their employment based character involving productive work; and the structured training component which will be delivered by a Registered Training Organisation, whether that be the school itself, the local TAFE, or a private training provider. The student will attend both school and work and in going down this New Apprenticeship path, our young people will attain a senior secondary certificate, and a nationally recognised and portable vocational education and training qualification. What it all boils down to is more pathways and more options for our young to choose from.



## New Apprenticeships in Schools

### Key Aspects:

- New Apprenticeship principles for the VET sector apply to schools
- Sharing of responsibility
  - Training Agreement + General Education
- 1998 - year of transition

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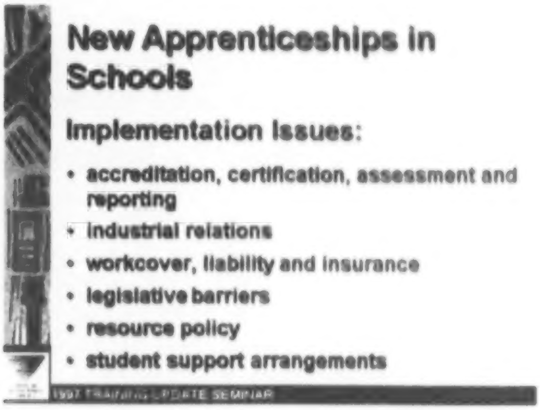
Just quickly, another couple of key aspects of the agreed framework, I'd like to flag. The first, is that the principles for New Apprenticeships agreed for the vocational education and training sector will also, wherever possible, apply to New Apprenticeships in schools. For example, the student employee should be treated the same as any other apprentices or trainees and will be subject to the same employment conditions. The responsibility for delivery arrangements will be shared, responsibility for the management of employment and vocational education and training components will be covered through the training agreement with schools retaining responsibility for delivering the general education component.

More detail on the roles for each of the parties to the arrangements, schools, employers, parents and students, can be found in the MCEETYA Report I referred to earlier. It provides a practical guide as to who is responsible for what, prior to and during the course of the program. The report also recognises that 1998 will be a year of transition as New Apprenticeships are progressively introduced. And just on the side, I might mention that the ANTA Board has agreed that the student categories for the Australian Training Awards should be reviewed this year, in conjunction with States and Territories, to ensure we are able to recognise and reward outstanding New Apprentices from the school sector commencing in 1998. The transitional nature of next years activity is due in part to the range of outstanding implementation issues identified in the Task Force Report.



## New Apprenticeships in Schools

### Implementation Issues:

- accreditation, certification, assessment and reporting
- industrial relations
- workcover, liability and insurance
- legislative barriers
- resource policy
- student support arrangements

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Accreditation, certification, assessment and reporting - there is uniform agreement to retain the principle that each student receives a dual outcome with mutual recognition of vocational education and training and general outcomes. New arrangements in relation to Training Packages and Registered Training Organisations and their particular approaches to quality assurance are going to need to be worked through.

With industrial relations, the issues here go to the need to ensure support for more flexible training arrangements, and, particularly, an agreed approach to part time apprentices in schools.

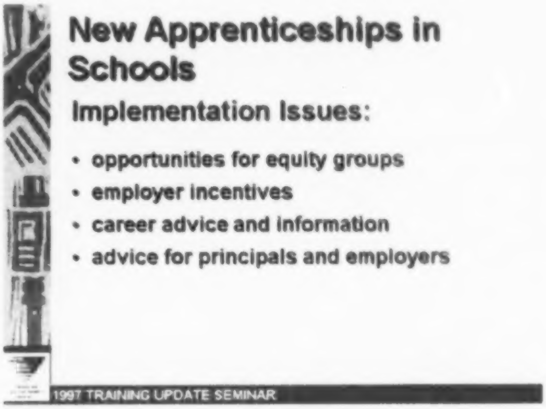
Work Cover, Liability and Insurance - the mix of schooling and employment raises particular issues which are going to need to be worked through.

Legislative Barriers - existing legislation is going to have to be examined to ensure that any barriers that exist are removed.

Resource Allocation Issues - particularly where students are taking an extended period in senior secondary schooling as a result of participating in New Apprenticeships, need to be addressed.

Student Support Arrangements - the eligibility of students and employees for the various allowances and support such as travel concessions and Austudy, needs to be clarified.

And then there are others.



**New Apprenticeships in Schools**

**Implementation Issues:**

- opportunities for equity groups
- employer incentives
- career advice and information
- advice for principals and employers

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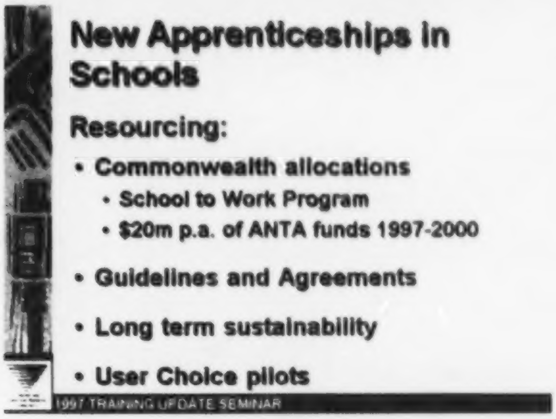
Opportunities For Equity Groups - they have to be worked through with appropriate support arrangements and support measures and delivery structures introduced.

Employer Incentives - a regime of such incentives is going to need to be determined. And career advice and information and advice for principals and employers goes to the need for information and advice on careers options, involving New Apprenticeships, and local area coordination arrangements need to be worked through between principals and the employers. The role of the MCEETYA Task Force is to grab these issues and run with them through the remainder of this year.



## New Apprenticeships in Schools

**Resourcing:**

- **Commonwealth allocations**
  - **School to Work Program**
  - **$20m p.a. of ANTA funds 1997-2000**
- **Guidelines and Agreements**
- **Long term sustainability**
- **User Choice pilots**

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Finally - Resourcing. Resources for New Apprenticeships in schools have been provided through Commonwealth allocations in the 1996-97 budget, including the school to work program, and $20 million of ANTA funding for the current and each of the next three years. Guidelines have been developed and agreed by Ministers and agreement struck between vocational education and training and school authorities within each State against these guidelines. In essence, Ministers have agreed to an outcomes based approach with funds to be directed to program development costs to support the expansion of vocational education and training in schools. Where funds are provided for course delivery in the form of development grants, additionality has been guaranteed with growth to be measured against a series of baseline data. Further work on funding mechanisms is going to be required to address the long term sustainability of vocational education and training in schools, based on true costs.

Finally, for 1998 pilots will be established to test the application of User Choice to New Apprenticeships in schools. I think it's fair to conclude that we are now well positioned as a sector, in partnership with the schools sector and industry, to both ensure mainstream vocational education and training in schools programs are increasingly relevant to future employment of students, through their progressive alignment with New Apprenticeship principles, and to make a concerted effort in developing and expanding that pathway, involving secondary students undertaking an apprenticeship or traineeship.

Thank you.

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

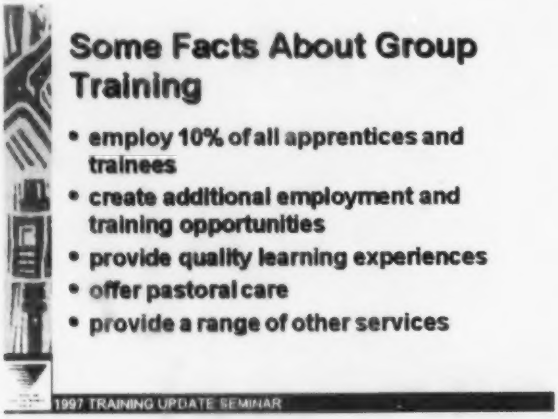
Thank you Chris for that overview of vocational education and training in schools. I might just point out one small additional detail. The award which specifies wage rates for trainees under the Nettforce, industry training company traineeship arrangements, the national training wage award, was varied a week or so ago, to include rates for Year 11 and Year 12 students undertaking contracts of training at secondary school. So there now are wage rates in place which will pay for productive time for the vocational education and training in school arrangements.

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

I would like to introduce to you again to Chris Eccles, who is standing in for ANTA's General Manager, Peter Noonan. Chris Eccles is going to be updating us on the developments and decisions taken by the ANTA Board and MINCO in relation to Group Training. Chris Eccles.

**Chris Eccles**
**Director, Commonwealth State Relations**
**ANTA**
***(In place of Peter Noonan, General Manager - ANTA)***

As Bill indicated, I'm stepping into substantial shoes vacated today by Peter Noonan, who's probably known to a number of you, because of the recent birth of his child. My hope is to do justice to the very important issue to be covered in this segment - Group Training - which is at the threshold of an exciting and challenging new era. Group Training has been offering its unique employment and training services to industry in the community for nearly two decades and the role of Group Training has never been as critical as it is now.



**Some Facts About Group Training**

- employ 10% of all apprentices and trainees
- create additional employment and training opportunities
- provide quality learning experiences
- offer pastoral care
- provide a range of other services

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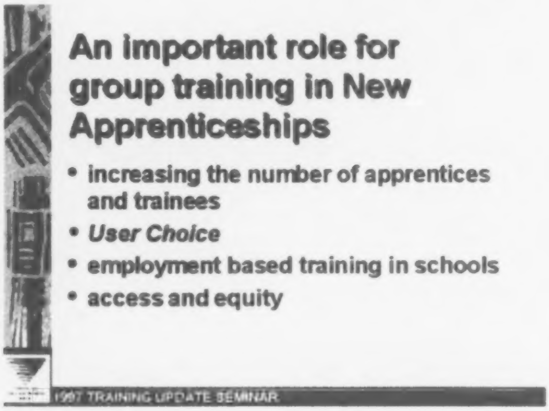
Group Training schemes, which receive operational support from government, employ some 20,000 apprentices and trainees or about ten percent of all apprentices and trainees. They create employment and training opportunities which would otherwise not exist because enterprises, unable to commit to a contract of training, are able to become host employers for a shorter period of time. They provide quality learning experiences through being able to rotate apprentices and trainees among a variety of work places. They are able to offer the likelihood of success for apprentices and trainees by offering expert counselling, guidance and conflict resolution and offer a range of other services to apprentices and trainees and employers such as training and advisory services.

In recent years, Group Training has helped maintain the skills base of the economy at a time when industry restructuring and economic cycles have made it difficult for many firms to continue their involvement in employment based training. Governments have shown a strong commitment to growth in apprenticeship and traineeship numbers through Group Training. In the 1996-97 Federal Budget statement, the Commonwealth Government committed an additional $9 million over four years for the growth of apprentices and trainees in Group Training, to be matched by States and Territories. A further $22 million over four years will be distributed on an unmatched basis by the Commonwealth.

On top of this, Group Training is also well positioned to take forward many of the initiatives outlined by Stella Axarlis under New Apprenticeships.



**An important role for group training in New Apprenticeships**

- increasing the number of apprentices and trainees
- *User Choice*
- employment based training in schools
- access and equity

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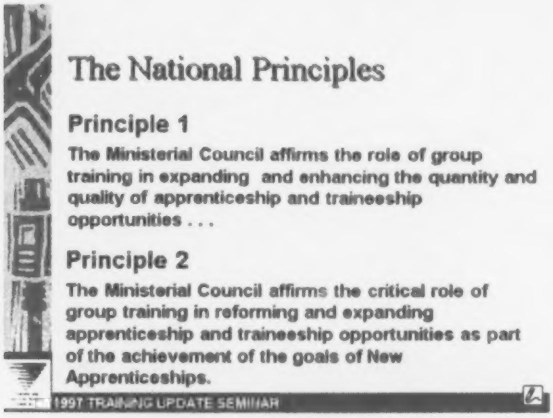
For example, Group Training schemes are well placed to be at the forefront of efforts to expand the numbers of apprentices and trainees, through creating more training opportunities in the small business sector and in new areas of occupation; to ensure the effective operation of choice in the market under the User Choice initiative through acting as Registered Training Organisations and/or training brokers; to assist the development of employment based training in schools; and to achieve better outcomes for groups which have historically experienced barriers to participation in employment based training.

In order to support the work of Group Training in servicing industry in the context of the New Apprenticeship environment, Ministers in May agreed to a set of National Principles for Group Training. The principles were developed by the ANTA Board Advisory Committee on New Apprenticeships, chaired by Stella, and endorsed by the ANTA Board. The principles themselves were based on public consultations conducted from February to March 1997 following the release of the issues paper "Taking Care of Business Growth through Group Training."



### The National Principles

**Principle 1**

**The Ministerial Council affirms the role of group training in expanding and enhancing the quantity and quality of apprenticeship and traineeship opportunities . . .**

**Principle 2**

**The Ministerial Council affirms the critical role of group training in reforming and expanding apprenticeship and traineeship opportunities as part of the achievement of the goals of New Apprenticeships.**

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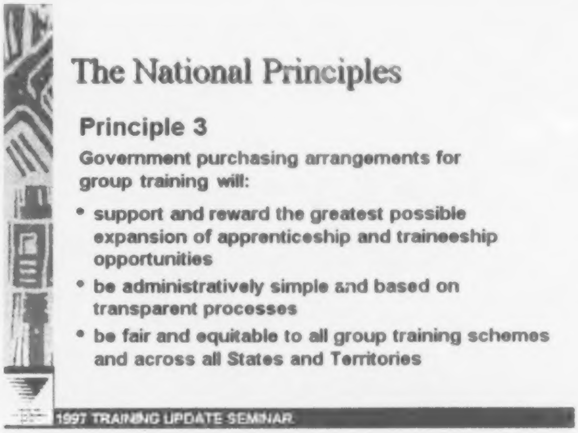
In the first two principles, the Ministerial Council affirmed the significance of Group Training. Since its inception, Group Training has been expanding and enhancing apprenticeship and traineeship opportunities - while in the future it will play a critical role through assisting the achievement of the general goals of New Apprenticeships.

During the consultations it was found that the main barrier to Group Training maximising its contribution to New Apprenticeships was the existing funding approach. Under the joint policy, selected providers of Group Training services receive a grant to offset their operational costs. Analysis of this approach revealed significant discrepancies in the effective price per apprentice or trainee among Group Training schemes and between States and Territories, with some schemes receiving less than $400 per apprentice or trainee, others over $1000 per apprentice or trainee, and some receiving no operational support at all. The discrepancies were largely the result of a range of funding models across the States or Territories which vary in their focus on outcomes.



### The National Principles

**Principle 3**

**Government purchasing arrangements for group training will:**

- **support and reward the greatest possible expansion of apprenticeship and traineeship opportunities**
- **be administratively simple and based on transparent processes**
- **be fair and equitable to all group training schemes and across all States and Territories**

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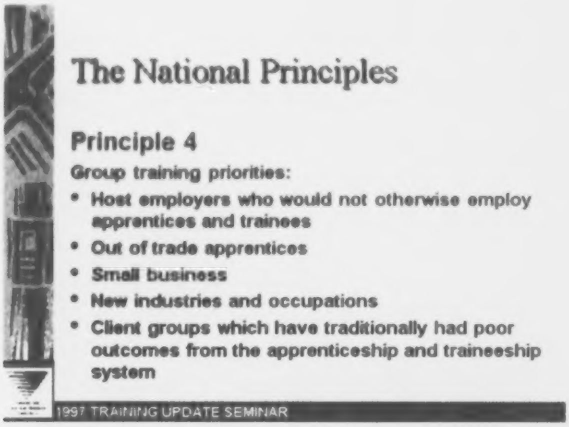
A number of participants in the consultations, particularly Group Training Australia, agreed that the current method of distributing funds did not support the planned growth for Group Training. Ministers agreed that in purchasing Group Training services, arrangements would support and reward the greatest possible expansion of apprenticeship and traineeship opportunities, be clear and administratively simple, be based on transparent processes and be fair and equitable to all Group Training schemes and across all States and Territories. The Ministers, therefore, supported a move to purchasing outcomes through a per capita approach, reflecting the real costs of servicing apprentices and trainees. It was agreed that further work be undertaken to establish the appropriate per capita payment for each apprentice or trainee, and that a model would be put to Ministers in November this year.

Around the model, particular work will need to consider both the quantitative and qualitative components of the outcomes to be purchased, and the distinction between the components which would be paid for by the government on one hand and industry on the other. The real cost differences between providing Group Training services in different industry and regional sectors, and with different individual apprentices and trainees - including those from client groups - and the total amount of public funding available for Group Training will have to be considered.

States and Territories will also be considering the viability of purchasing Group Training services from organisations, outside the existing network of joint policy funded Group Training schemes. Opening up the supplier base is consistent with principles of fairness and equity across all Group Training schemes, and supporting overall growth in apprentices and trainees.



The National Principles

**Principle 4**

**Group training priorities:**

- Host employers who would not otherwise employ apprentices and trainees
- Out of trade apprentices
- Small business
- New industries and occupations
- Client groups which have traditionally had poor outcomes from the apprenticeship and traineeship system

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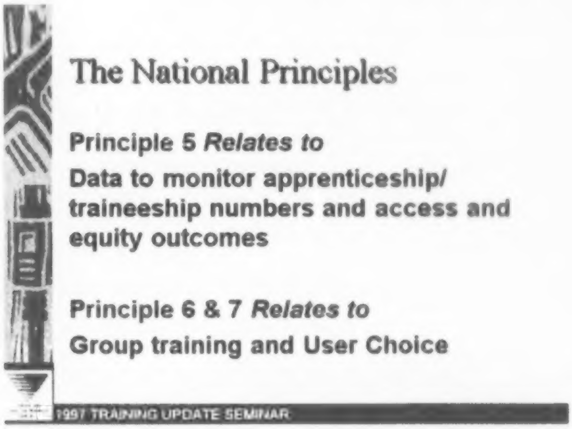
In purchasing the employment of apprentices and trainees, the national principles assert that the priority will be to achieve the greatest possible overall expansion of apprenticeship and traineeship opportunities, rather than the growth of Group Training in a diminishing or slightly growing total market. In this context, Ministers agreed that the priority areas for growth would be host employers who would not otherwise employ apprentices and trainees or out-of-trade apprentices. There is a continued role for Group Training in securing employment for apprentices who have been made redundant.

Small Business - small businesses are increasing in importance as a source of employment opportunity. The increased participation of small business in employment based training is one of the keys to the success of New Apprenticeships. However, the employment of apprentices and trainees by these employers is often constrained by the inability to make the required employment or training commitment. The considerable success already being achieved by Group Training in the small business area is recognised and Ministers agree that the priority should continue to be accorded to this area.

New industries and occupations - one of the goals of New Apprenticeships is to expand employment based training into new areas and occupations. Ministers agree that access and equity goals should continue to be part of the core role of Group Training schemes funded under the joint policy. The national principles also paid attention to the role of Group Training schemes in relation to User Choice. Many Group Training schemes, like other employers of apprentices and trainees, are likely to seek recognition as Registered Training Organisations and will possibly also operate as training brokers.



## The National Principles

**Principle 5 *Relates to***

**Data to monitor apprenticeship/ traineeship numbers and access and equity outcomes**

**Principle 6 & 7 *Relates to***

**Group training and User Choice**

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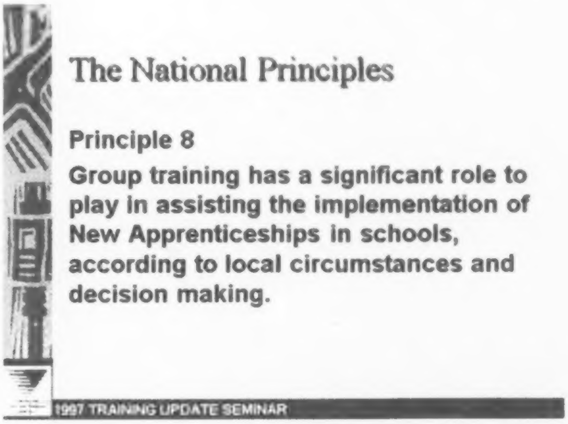
It has been suggested that a conflict of interest may exist when a Group Training scheme recommends itself as the most appropriate training provider for its own employees. Ministers agree that the same conditions would apply to Group Training schemes as would apply to any other employer. That is, when Group Training schemes also operate as Registered Training Organisations or training brokers they will be subject to State-Territory provider audit processes based on the risk management approach.



## The National Principles

**Principle 8**

**Group training has a significant role to play in assisting the implementation of New Apprenticeships in schools, according to local circumstances and decision making.**

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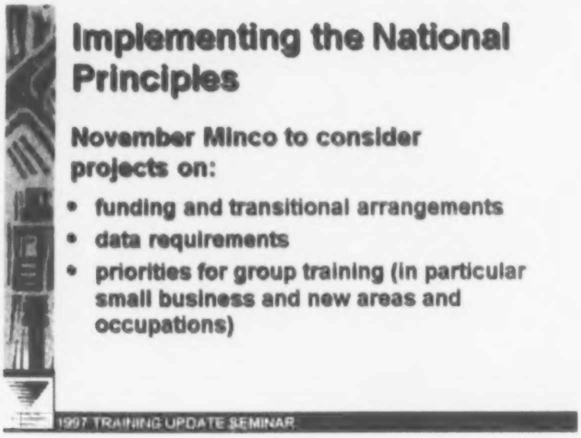
Consultations found that there are many instances of Group Training forging cooperative links with schools to support their vocational, education and training programs. Ministers have affirmed this as a significant role for Group Training.

And on to process.



## Implementing the National Principles

**November Minco to consider projects on:**

- funding and transitional arrangements
- data requirements
- priorities for group training (in particular small business and new areas and occupations)

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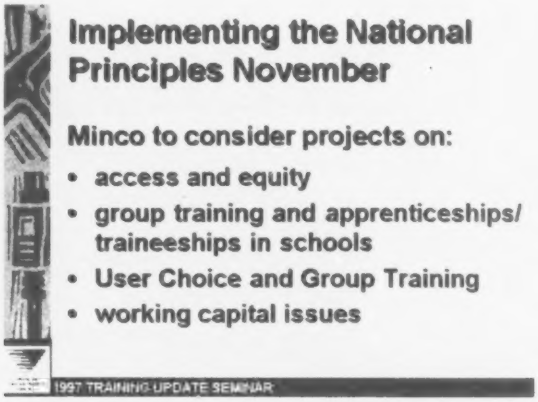
A work plan outlining the projects, which will identify the best way forward in implementing the national principles, is being developed. These projects relate to funding and transitional arrangements. This first project is the most fundamental and will be overseen by a steering committee made up of State, Territory, Commonwealth, ANTA, industry and Group Training Australia representatives. Options for a national per capita funding approach for Group Training will be developed. Transitional arrangements will also be developed so that the providers of Group Training services will have sufficient time and be sufficiently informed to adapt to the new arrangements.

Data requirements - work will be done in conjunction with the NCVER to ensure that there is a reliable data collection for Group Training which can properly monitor and reward performance.



## Implementing the National Principles November

**Minco to consider projects on:**

- access and equity
- group training and apprenticeships/ traineeships in schools
- User Choice and Group Training
- working capital issues

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Priorities for Group Training is the third project. It is envisaged that the achievement in this area will come from the involvement of Group Training in the development and marketing of Training Packages.

Access and equity - it is expected that the new funding arrangements will go a long way to addressing access and equity objectives by establishing benchmark per capita costs, based on the real costs associated with providing services to particular client groups. Work will also be undertaken in conjunction with this activity to identify and promote particular strategies to improve outcomes for client groups.

Group training and apprenticeships/traineeships in schools - this activity will explore the role of Group Training in facilitating on-the-job training opportunities for secondary school students enrolled in apprenticeship and traineeships.

User Choice and Group Training - this issue will be considered in the context of ongoing work, addressing the issue of employers who also become Registered Training Organisations.

And the final project relates to work in capital issues. Some Group Training Companies have indicated that they have difficulties in obtaining working capital and that this in fact acts as a constraint to growth. There is anecdotal evidence of Group Training scheme boards explicitly limiting growth for this particular reason. DEETYA will be looking at this particular issue.

These projects in sum will form the basis of a report by the ANTA Board to the November Ministerial Council on options for implementing the Group Training national principles. There is little doubt that Group Training has played and will continue to play, a key role in improving the performance of the apprenticeship and traineeship system boosting the number of apprenticeship and traineeship opportunities for young people and increasing the participation of Australian industry and vocational education and training.

The national principles are designed to enhance this key role and the challenge for ANTA, the States and Territories, Commonwealth and Group Training representatives over the next few months is to ensure that the implementation of the principles secures this objective. Thank you.

# ENTRY LEVEL TRAINING SUPPORT SERVICES, APPROVING AUTHORITIES AND MARKETING OF NEW APPRENTICESHIPS

**Bill Mansfield**
**ANTA Deputy Chair**
**1997 Training Update Seminar Chair**

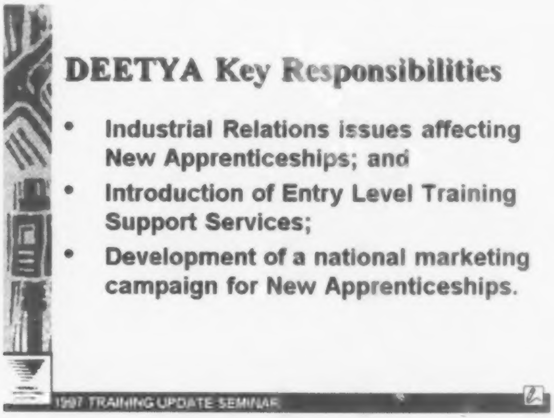
We have one more speaker, and that is Tony Greer. Tony is a First Assistant Secretary in the vocational education and training Division within the Department of Employment, Education, Training and Youth Affairs (DEETYA), Canberra. He has held a number of government positions. Before coming to his current position, he headed up DEET's Employer and Industry Programs Division for two years and in this position he was responsible for the national management of job brokerage, employer services and strategies and for aspects of the Commonwealth's responsibilities in respect of entry-level training programs.

Tony will be making a presentation on entry-level training support services, approving authorities, and marketing of New Apprenticeships and that's quite a challenge, Tony. Welcome Tony Greer.

**Tony Greer**
**First Assistant Secretary, VET Division**
**Department of Employment, Education, Training and Youth Affairs**

Thank you Bill. Today we have looked at current issues and recent changes to Australia's vocational education and training system. Dr Kemp outlined to you this morning the Commonwealth Government's vision for a quality, national training system. He also mentioned that governments are working cooperatively to develop a more open and competitive training market which meets the needs of industry. You have also heard today from a wide range of speakers about other aspects of the training agenda and where those reforms are up to.

I would like to use cooperation in the vocational education and training sector as the theme for my presentation. In particular, I would like to outline for you how DEETYA is contributing to the establishment of New Apprenticeships in three key areas.



**DEETYA Key Responsibilities**

- Industrial Relations issues affecting New Apprenticeships; and
- Introduction of Entry Level Training Support Services;
- Development of a national marketing campaign for New Apprenticeships.

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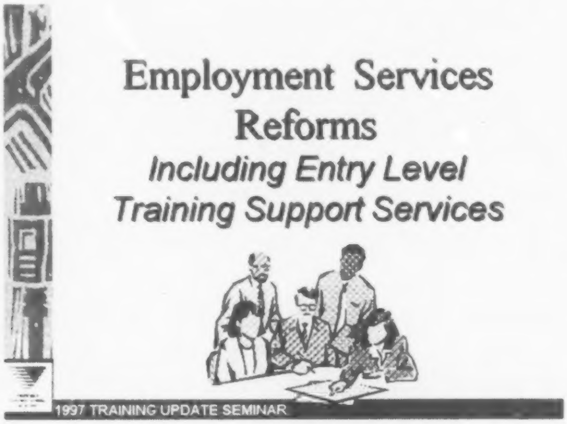
Firstly, the introduction of entry level training support services to employers, apprentices and trainees which are linked to the Government's reforms to employment services generally. Secondly, the new industrial relations issues that are affecting New Apprenticeships, including part time arrangements and the introduction of variations to the mix of productive and training time for apprentices and trainees. Thirdly, as Bill had mentioned, the introduction of a three year national marketing campaign to promote New Apprenticeships, especially to employers, to young people and to schools and industry.

Delivery in these three areas is central to the government's commitment to deliver a vocational education and training system which is responsive to business needs and which provides real opportunities for young people.

Let me turn to the first of these - entry level training support services.



Employment Services Reforms

*Including Entry Level Training Support Services*

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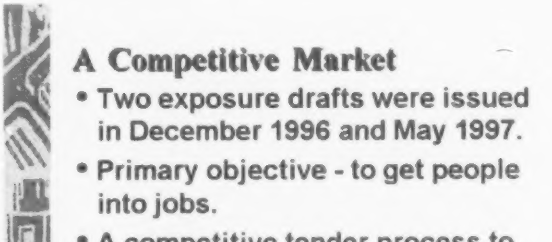
Before discussing how we plan to improve support services to employers, apprentices and trainees, I should provide you with the context for these changes. You may recall that in August last, the Commonwealth Government announced major changes to the way that labour market assistance would be delivered. These changes involve the most significant reorganisation of labour market assistance arrangements, since the establishment of the Commonwealth Employment Service in 1946.



**A Competitive Market**

- Two exposure drafts were issued in December 1996 and May 1997.
- Primary objective - to get people into jobs.
- A competitive tender process to select service providers.

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The changes will see the establishment of a competitive market in which private, community and public sector agencies are contracted as employment service providers.

Many of you may well have seen the two exposure drafts that have been issued in preparation for this - one in December last and one in May of this year. Senator Vanstone announced on the 1st of July this year that the Government will implement these major reforms to employment services without new legislation.

A series of information sessions on these important changes to the employment services request for tender will be held in locations throughout Australia commencing from next week. I encourage people who would like to look at some more specificity on these to involve themselves in those. Arrangements for those have certainly been well covered in the national press.

**A Competitive Market**

- Streamlined package of assistance has been developed.
- Tenders for the employment services market will be called for in August 1997 - with the market commencing in May 1998.

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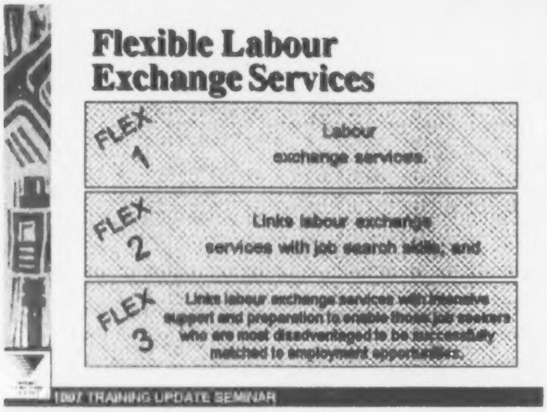
The primary objective of the reforms is essentially to get people into jobs. There will be a competitive tender process to select service providers to that end. Taking into account feedback from the community, the government has reviewed its labour market assistance arrangements and, on this basis, a streamline package of assistance has been developed. Tenders for the employment service market will be called in August with the market commencing from the beginning of May 1998.

As I said, because the prime objective of the reforms is to get people into jobs, the Government has decided that employment service providers must canvass for jobs and match people with the skill requirement of the job. In that sense, the Commonwealth will pay labour exchange services for anyone who is unemployed and receiving an eligible income support payment from the Department of Social Security, or for people who are aged 15 to 20 years, irrespective of income support receipt, or participants in community development employment projects. Importantly, the Commonwealth will also pay for placements into apprenticeship and traineeship vacancies.



**Flexible Labour Exchange Services**

FLEX 1 — Labour exchange services.

FLEX 2 — Links labour exchange services with job search skills, and

FLEX 3 — Links labour exchange services with intensive support and preparation to enable those job seekers who are most disadvantaged to be successfully matched to employment opportunities.

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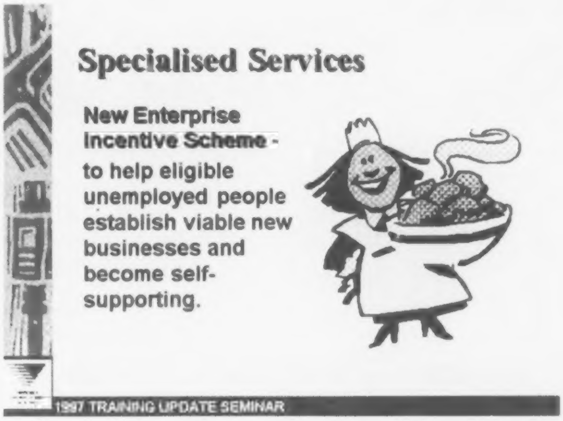
The flexible labour exchange services, FLEX, a new acronym, will be provided in 3 key areas:

FLEX 1 - essentially is the provision of labour exchange services.

FLEX 2 - the links, those labour exchange services with job search skills

FLEX 3 - links labour exchange services with intensive support and preparation to enable those job seekers who are most disadvantaged to be successfully matched to employment opportunities. The type and level of assistance provided to eligible job seekers will depend on each job seekers level of need as well as the duration of unemployment.



**Specialised Services**

**New Enterprise Incentive Scheme** - to help eligible unemployed people establish viable new businesses and become self-supporting.

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As well as the FLEX suite, there will be two specialised services - a New Enterprise Incentive Scheme, essentially to help eligible unemployed people with training and support to establish viable new businesses and become self supporting, and entry level training support services.

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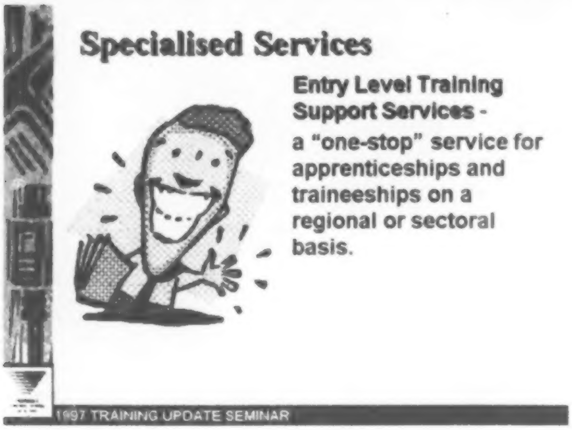

### Specialised Services

**Entry Level Training Support Services -**
**a "one-stop" service for apprenticeships and traineeships on a regional or sectoral basis.**

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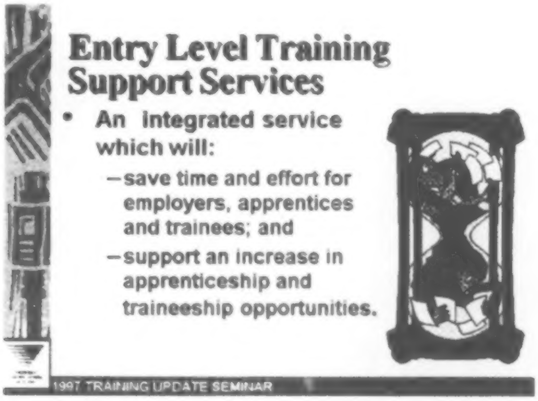
ELTSS are to provide employers and apprentices and trainees with a one stop shop support service on a regional or sectoral basis. You might recall Stella's presentation alluding to that this morning.



### Entry Level Training Support Services

- **An integrated service which will:**
  - **save time and effort for employers, apprentices and trainees; and**
  - **support an increase in apprenticeship and traineeship opportunities.**

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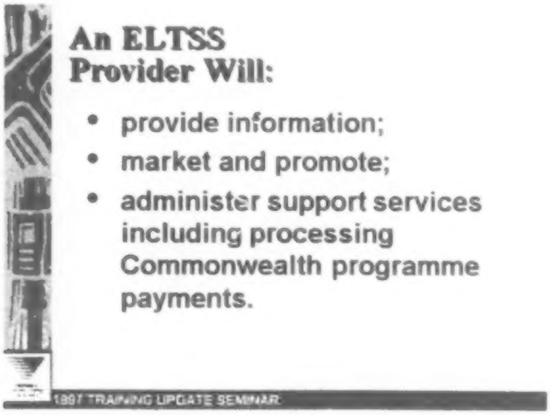
As industry reminds us a key hindrance to employers taking on apprentices and trainees is the complexity of process, particularly the excessive red tape and the need to deal with many organisations. You've heard during the day, some of the solutions that will address complexity and red tape. Establishment of ELTSS providers will help cut the red tape and will, through One-Stop Shops, reduce the number of bodies, which employers and apprentices and trainees really need to deal with.



### An ELTSS Provider Will:

- **provide information;**
- **market and promote;**
- **administer support services including processing Commonwealth programme payments.**

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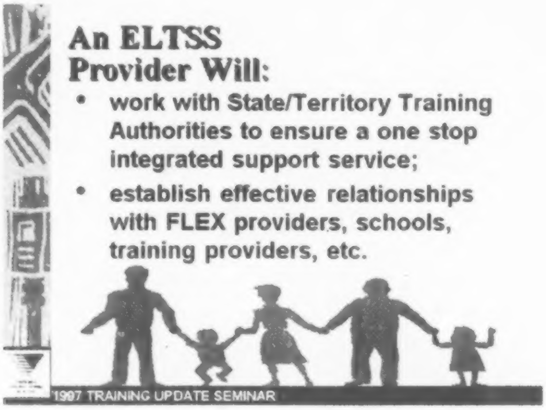
The ELTSS providers will deliver the range of support services for apprentices and traineeships currently being delivered or provided by the Commonwealth Employment Service and a range of intermediaries that are funded by the Commonwealth. Essentially, the key functions are the provision of information about apprenticeships and traineeships, local level marketing and promotion of apprenticeships and traineeships, and the administration of apprenticeship and traineeship support services, including, importantly, the local processing of Commonwealth program payments, employer incentives and the like.



**An ELTSS Provider Will:**

- work with State/Territory Training Authorities to ensure a one stop integrated support service;
- establish effective relationships with FLEX providers, schools, training providers, etc.

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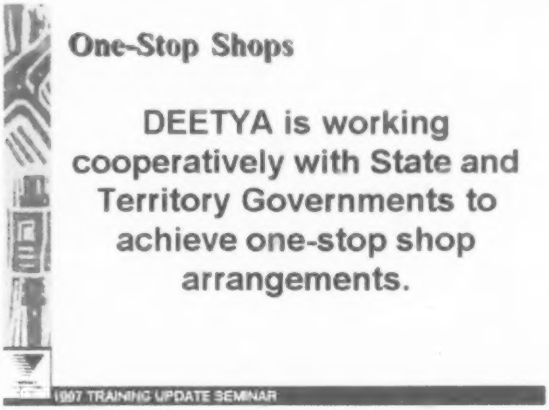
Importantly, the ELTSS will be required to work with State and Territory Training Authorities to provide a one-stop integrated service for employers, apprentices and trainees and the establishment of effective relationships with FLEX providers contracted by the Commonwealth with registered training providers, with schools and other organisations to help people, particularly young Australians, obtain apprenticeships and traineeships.



**One-Stop Shops**

DEETYA is working cooperatively with State and Territory Governments to achieve one-stop shop arrangements.

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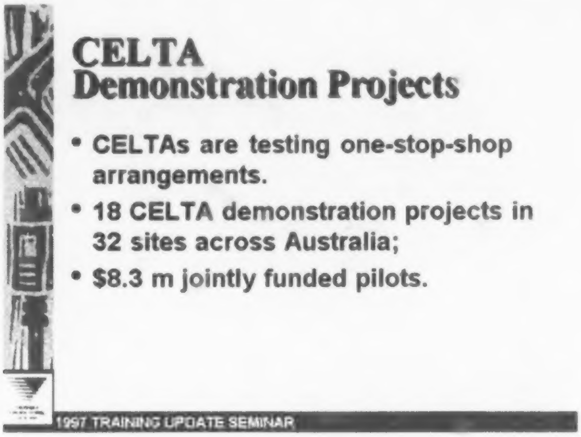
The Commonwealth acting on its own can deliver only a part of what employers are looking for - to deliver a complete service we're developing co-operative arrangements with the States and Territories. All State and Territory Ministers have indicated their support in principle for one-stop shop arrangements and we're exploring with State and Territory Training Authorities how we might best achieve this. I suspect that the answer will involve a range of different models - in some jurisdictions it could be that the State indeed may successfully tender for Commonwealth services, other states may tender out their services or devolve them to ELTSS providers - but it would also achieve a one-stop shop arrangement. Other States may in fact retain their functions and so ELTSS providers will need to work with those State agencies to achieve a seamless service so that employers and young people only have the one point of contact.



**CELTA Demonstration Projects**

- CELTAs are testing one-stop-shop arrangements.
- 18 CELTA demonstration projects in 32 sites across Australia;
- $8.3 m jointly funded pilots.

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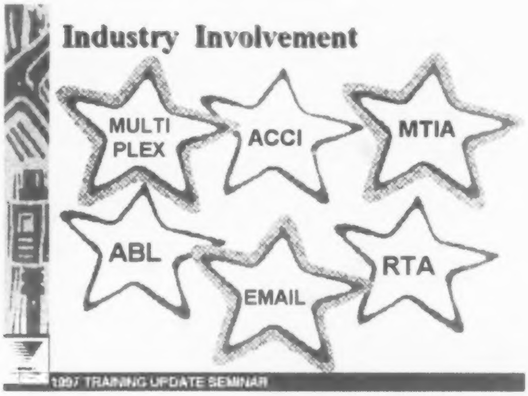
Turning to CELTA demonstration projects - to help achieve this transition to the new environment, 18 contracted entry level training agents, agency demonstration projects or CELTA pilots, have been established in 32 sites throughout Australia. Every State and Territory is participating in these $8.5 or $8.3 million jointly funded pilots during 1997. The pilots themselves are testing a variety of models which combine Commonwealth and State entry level training support functions into a one-stop shop.

Industry, importantly has taken a lead role - the lead role - in managing the shops to ensure that the needs of business of apprentices and trainees are met.



**Industry Involvement**

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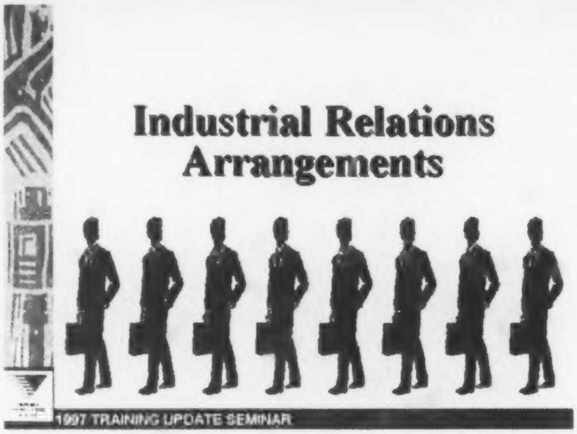
Industry groups and enterprises involved in the pilots include the Australian Chamber of Commerce and Industry, Australian Business Limited, the Metal Trades Industry Association, the Retail Traders Association, Multiplex and Email. An evaluation examining implementation issues including differences in the way pilots are set up and the methods of best practice commenced in June. This review will provide a valuable contribution to successful implementation of an integrated entry level training support service.



## Industrial Relations Arrangements

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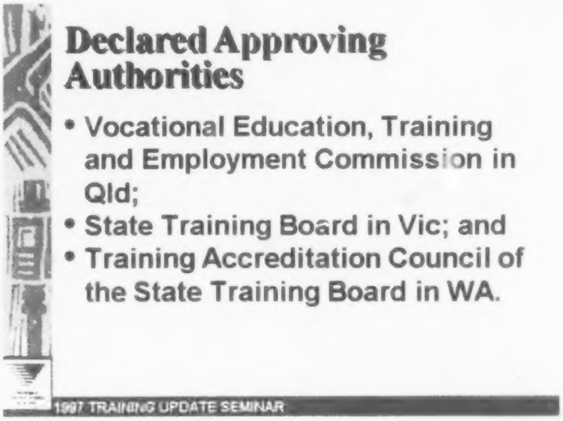
The second issue that I'd like to touch on relates to industrial relations arrangements. I'd like to talk about the flexibility for New Apprenticeships that is being provided under the Commonwealth Government's industrial relations reforms. The Workplace Relations Act provides an industrial relations framework to maximise the flexibilities or the potential of New Apprenticeships. Of particular importance is the fact that, for the first time, the Australian Industrial Relations Commission is required to consider the need for training wages and awards to support apprenticeships and traineeships. Eventually all awards will contain these arrangements to meet the requirements of New Apprenticeships. As Bill Mansfield mentioned before the break, in the meantime there has been a variation to the National Training Wage Award which provides essentially immediate access to national training wage rates for part-time traineeships and which provide specific rates of pay for school based traineeships. In Australian workplace agreements and certified agreements, apprentice and trainee minimum wages can be based on the employee's productive time on-the-job. The determination of productive time is made by an approving authority.



## Declared Approving Authorities

- Vocational Education, Training and Employment Commission in Qld;
- State Training Board in Vic; and
- Training Accreditation Council of the State Training Board in WA.

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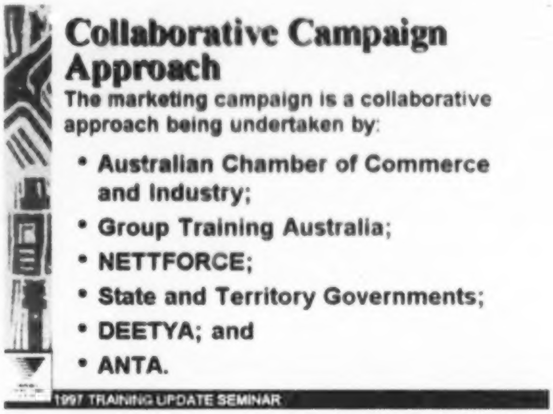
Following consultations about the detail of approving authorities and their roles and functions, the Minister has declared three approving authorities to date - the vocational education and training and Employment Commission (VETEC) in Queensland, the State Training Board in Victoria, and the Training and Accreditation Council of the State Training Board in Western Australia. We are continuing negotiations with other jurisdictions to declare approving authorities and hope to be able to finalise those arrangements shortly.

DEETYA is now working with each of the authorities that have been declared to date to ensure that implementation proceeds as swiftly as possible to make apprenticeship and traineeships accessible under more flexible employment arrangements. A regulation enabling the Minister to declare other types of bodies will be tabled in the Federal Parliament in the very near future. Administrative guidelines to assist approving authorities in carrying out their functions have been developed through consultations with the State and Territory Governments and, importantly, with the industry partners.

Moving to the third point I'd like to touch on this afternoon, that's the New Apprenticeship marketing campaign. Research indicates that employers and young people often feel confused by the array of government initiatives and that they want clear, up to date advice on how these arrangements affect them. To address these issues the Commonwealth has committed $8 million to a campaign to market New Apprenticeships over the period to the year 2000. A timely, targeted communications information program is critical to ensure that current reforms to the training system are understood and importantly are embraced by business, by young people and by the general community.

Our planning is for the campaign to be launched during August. The primary target audiences will be employers, particularly employers in small and medium enterprises, and young people. Other audiences will include parents and teachers, employer bodies, training providers and State Training Authorities.



**Collaborative Campaign Approach**

**The marketing campaign is a collaborative approach being undertaken by:**

- **Australian Chamber of Commerce and Industry;**
- **Group Training Australia;**
- **NETTFORCE;**
- **State and Territory Governments;**
- **DEETYA; and**
- **ANTA.**

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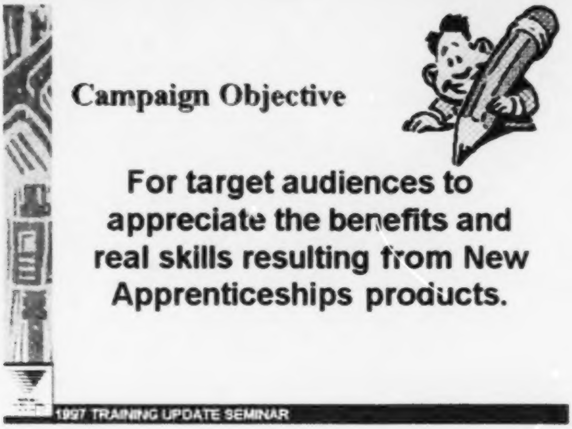
The marketing campaign does reflect a collaborative approach - we are working very closely with key groups, so they too can take up and use the investment and the campaign in the campaign themes. Partners in this endeavour include the Australian Chamber of Commerce and Industry, Group Training Australia, Nettforce, State and Territory governments and the Australian National Training Authority.



Campaign Objective

For target audiences to appreciate the benefits and real skills resulting from New Apprenticeships products.

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Development of the campaign has been overseen by a Commonwealth/State Committee for Marketing Apprenticeships and Traineeships - a committee which reports to the ANTA Ministerial Council. This approach has helped ensure consistency and to maximise the efforts of the many organisations who need to work together to promote apprenticeships and traineeships. Peak employer and industry bodies, as well as State and Territory Governments, are being approached to ensure that the campaign can link with their own marketing activities.

Ladies and gentlemen, in concluding I wish to thank you and ANTA for the opportunity to speak to you today and inform you of the imminent reforms to the employment services market, particularly to achieve improved support services for apprenticeships and traineeships. DEETYA is working with all parties to ensure that we have a flexible, simpler and more accessible national training system - a system that works for employers and for all Australians, especially young people in their transition from initial education to working life. Thank you.

**Stuart Hornery AO**
**ANTA Board Chair**

Thank you very much Tony for an outline of the contribution that the Commonwealth Department is making to the new national agenda and I would remind you that ANTA is a co-operative body that works very closely with not only the Commonwealth Department but also the various State bodies around the nation and together we service the Ministerial Council which comprises the Federal and all the State Ministers.

**Stuart Hornery AO**
**ANTA Board Chair**

My task is now to close the meeting and, in so doing, if you needed any greater evidence that we do need a better schooling program in this country I suggest those of you that haven't read the front page of the business section of the *Sydney Morning Herald* this morning, which has an article on the productivity of the workers in the manufacturing industry, do so. As Stella said to you this morning, that industry still employs about 26 percent of the workforce of the nation. The article compares our productivity on the basis of value added per worker. The study, carried out by Access Economics, compares 17 countries including big ones like the United States, Britain, France, Germany as you would expect, but also small ones like Finland and Holland and, of course, by population standards, Australia. We're at the bottom of that - number 17. At the top of it, interestingly enough, is Belgium - it's also a small country. It's in the productivity measures that the change over the last 30 years from 1965 to 1995 has occured - we have continued to decline. We were above the average in the sixties and we are now below the average, and we are now down the bottom of that particular league table. A contributing factor has got to be the management of business and there's been a lot of discussion about the adequacy or otherwise of the skilled provision in the nation. I put it to you that both the provision of skills and also the manager practice system in this country, I think, need to do a far better job if we are to do what we said earlier today, and that is to make Australia a more competitive nation.

What you've heard today, as I said, is the first step. You need to be reminded that although we've been talking about this agenda for some time, the ANTA Board went through a period of about three years where it went out into the community widely and deeply to identify what the issues were, then formulated, under a Labor Government, then subsequently reformulated under a Liberal Government, and produced what is now referred to as the New Apprenticeship System - and that was only approved back in May by the Ministerial Council.

What we heard, I think, in the questions during the panel session, before lunch was some evidence of frustration at lack of detail and more appetite, if you like, for information about how the system is going to work. Our research that we're doing ahead of the National Strategy that Terry talked about, has also unearthed a lot of nervousness on one side, particularly from the public sector providers, and also a lot of frustration on the other side from the employer side, still saying, very vehemently, that they are totally frustrated at there being no evidence of change.

Now, I can tell you that what we're going through is an evolution, not a revolution. It may appear like a revolution in some quarters - but you can't change a behemoth like the vocational education and training system overnight, and I don't think there's any expectation that that's the case. I think what we've heard back from our latest research is that everybody seems to be fairly comfortable with the national agenda, and what we'd like you to take away today is some enthusiasm and passion for it too and that you promulgate the message of support if you can. Do what you can to support what I might call steady progress and come back here again in November and see whether that enthusiasm continues to grow.

I think that the evidence, at least from the questions and the networking that we've been doing both today and over the last six months, is that there is slowly gaining in confidence that this may indeed work. The jury is still out as to whether it will or not, but I think you heard enough. It's interesting I thought that the bulk of the questions came from the employer's side today - that wouldn't have been the case 12 months ago. So we appreciate the fact that you have come along, that you have retained your attention in detail. I would say - there's been no leakage from the room for the whole day - that means you are interested in what the speakers have had to say. On your behalf I'd like to thank our speakers today - I think they've done a good job today to present the position as to where we are. I'd also like to thank, on your behalf, the ANTA employees who have put the program together and I'd particularly like to thank the 800 guests that we have here today who have come along and remained interested in what we've had to say, but more importantly have participated in the day.

We hope you will all come along to the Training Update Seminar in November, and we'll try and accommodate a larger group if we can, and we'd also like you to consider joining us at the ANTA National Conference which will be held in Brisbane in April.

Ladies and Gentlemen again thank you very much on behalf of the ANTA Board for being with us today and we look forward to seeing you in November.